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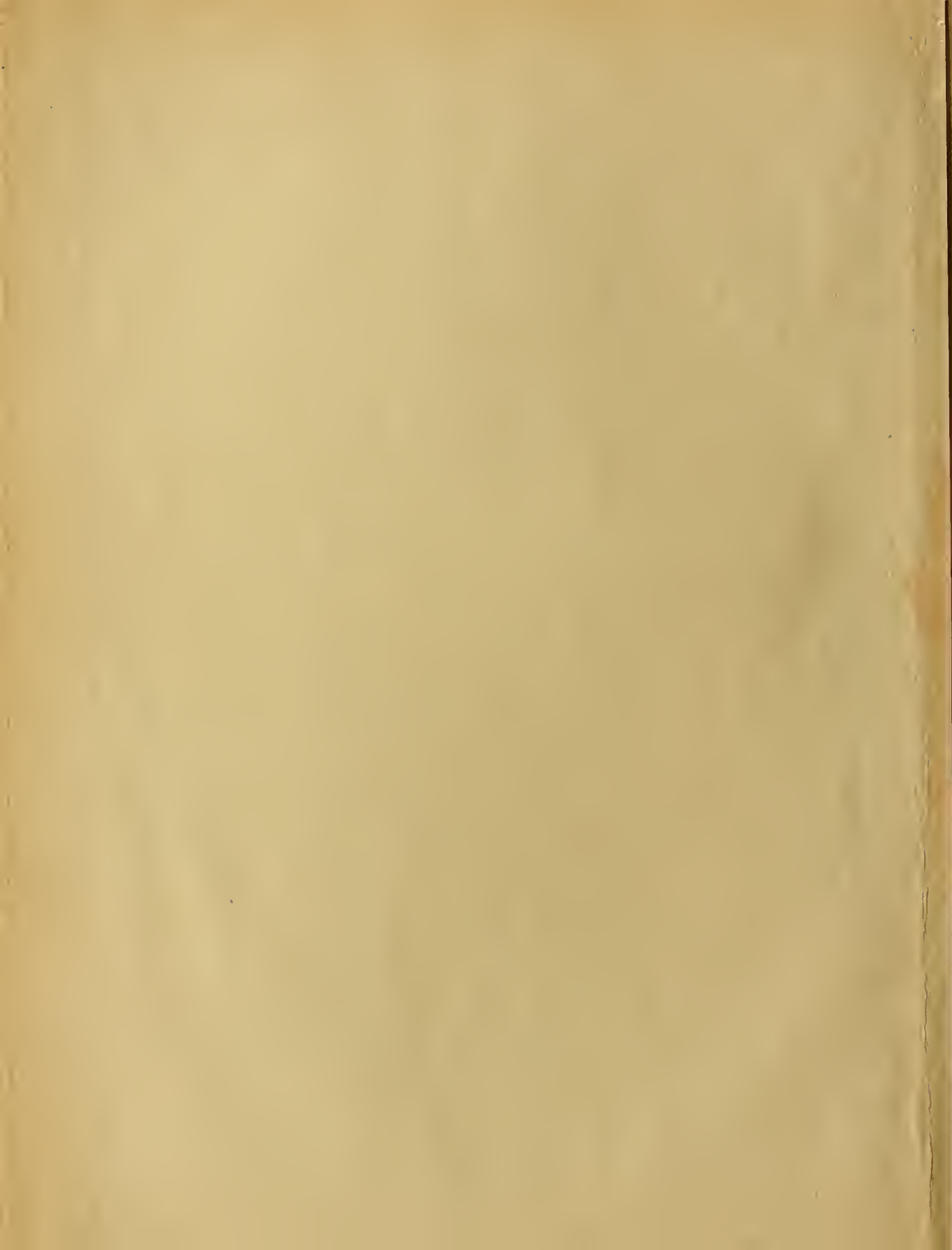
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AGREEMENT RELATING TO THE RESOLUTION OF CONFLICTING CLAIMS TO GERMAN ENEMY ASSETS

by Ely Maurer
and
James Simsarian

The United States, Canada, and the Netherlands signed at Brussels on December 5, 1947, the "Agreement Relating to the Resolution of Conflicting Claims to German Enemy Assets," the first comprehensive, multilateral agreement on the problem of conflicting claims by governments to German external assets. The agreement was designed to avoid the vexatious and lengthy litigation and negotiations which took place after the first World War. The article below summarizes the main provisions of the agreement.

The United States, Canada, and the Netherlands signed on December 5, 1947, at Brussels the "Agreement Relating to the Resolution of Conflicting Claims to German Enemy Assets", the first comprehensive, multilateral agreement on the complex and important problem of conflicting claims by governments to German external assets. The agreement is designed to avoid the vexatious and lengthy litigation and negotiations which took place after the first World War. The agreement does not become binding on the United States before it has been approved by Congress.

The types of claims covered by the agreement are those where the alien property custodians of two countries both claim the same German external asset or where an alien property custodian claims that certain property is a German external asset and a national of a friendly country claims the property is owned by him beneficially through an intermediate corporation.

The types of property covered by the agreement over which conflicts may arise are securities, negotiable instruments, currency, warehouse re-

ceipts, foreign currency bank deposits, decedents' estates, trusts, and the property in one signatory country of corporations organized under the laws of another signatory country or under the laws of Germany.

Of most importance are the provisions on securities, bank deposits, and the property of corporations. The agreement provides that if a security, owned by a German, was issued by an entity organized in one signatory country, and the certificate is physically located in another signatory country, the security shall go to the alien property custodian of the signatory country where the entity is organized. Bank deposits maintained in one signatory country by a bank located in another signatory country for the benefit of a German customer will, with certain exceptions, be divided equally between the custodians of the countries concerned. In the case of property in one signatory country belonging to a corporation organized under the laws of another signatory country or of Germany, the general rule is laid down (subject to exceptions for administrative

practicality) that the signatory country where the property is located is entitled to that portion of the property corresponding to the German interest in the corporation, while that portion corresponding to the nonenemy interest will be free from seizure.

The agreement will enable the United States Office of Alien Property, Department of Justice, to secure without undue delay clear title to assets which might otherwise be the subject of extended and complicated litigation and negotiations with other governments or their nationals. The agreement, furthermore, will carry out the established policy of the Department of State of protecting the interests of United States nationals in assets outside Germany owned either by a corporation in which there is a German interest or by a corporation organized under the laws of Germany.

In the event a dispute arises between signatory countries regarding the interpretation, implementation, or application of the agreement, provision is made for compulsory and binding conciliation.

The agreement is the outcome of approximately 18 months of discussion and negotiation with other countries, members of the Inter-Allied Reparation Agency.¹ In these deliberations the United States Representatives took a responsible part. It was appreciated early in 1946 that it would be desirable to have a multilateral agreement for the purpose of resolving the problems of conflicts between custodians or between custodians and nationals of another country relating to German external assets. Accordingly discussions were first held of a preliminary character, in the Committee of Experts of IARA from June to July 1946, and then the matter was taken up for the purpose of arriving at a multilateral agreement in the Ger-

man External Assets Committee of IARA.² A series of meetings were held from November to December 1946, then from January to March 1947, and then from September to November 1947. The Committee on German External Assets included for this purpose representatives from Belgium, Canada, France, the Netherlands, the United Kingdom, the United States, and Yugoslavia. On several occasions, however, in the course of the discussions the views of the other 11 members of IARA—Albania, Australia, Czechoslovakia, Denmark, Egypt, Greece, India, Luxembourg, Norway, New Zealand, Union of South Africa—were requested and considered.

By its terms the Brussels agreement is open for signature immediately, and up to six months from its effective date, by the 15 other governments which are members of IARA. In addition a procedure exists for permitting governments which are not members of IARA to participate, with the consent of the signatories, in the agreement or in a similar agreement any time within nine months after its effective date. Under this procedure it is possible that Latin American countries, and countries which were neutrals during the war, as well as other non-IARA countries, may ultimately participate in this agreement or a similar agreement.

The agreement becomes effective when it is adhered to by countries, members of IARA, who are collectively entitled to 35 percent of the shares of assets in category A³ of German reparation under article 1B of the Paris agreement. Under article 1B Canada, the Netherlands, and the United States together constitute 35.4 percent. Since the United States signed⁴ "subject to approval" and

¹ Mr. Maurer and Mr. Simsarian served as advisers to Russell H. Dorr, U.S. Minister and Delegate to the Inter-Allied Reparation Agency, who represented the United States Government in the course of the negotiations leading to the agreement. Other advisers were from the Office of Alien Property, Department of Justice, Henry Hilken, Malcolm Mason, Donald Sham, and Leon Brooks; and from the Treasury Department, Elting Arnold and I. G. Alk. In the last part of the negotiations, Alex B. Daspit, Alternate U.S. Delegate to the Inter-Allied Reparation Agency, took Mr. Dorr's place in the latter's absence.

² The organization of IARA provides a convenient forum for these discussions. The Committee of Experts was provided for under part I, article 6F, of the Paris agreement on reparation of Jan. 14, 1946 (Treaties and Other International Acts Series 1655), "in order to over-

come practical difficulties of law and interpretation which may arise" in matters of enemy property custodianship. The German External Assets Committee was created by the Assembly of IARA to consider all problems which might arise under article 6. This article is entitled "German External Assets". See also BULLETIN of Jan. 27, 1946, p. 114.

³ Assets in category A include "all forms of German reparation except those included in category B". Assets in category B include "industrial and other capital equipment removed from Germany and merchant ships and inland water transport". Category A thus includes German external assets.

⁴ In signing the agreement the United States stipulated that the agreement shall not apply to the interest of the United States in General Aniline and Film Corporation, New York, N. Y.

the Netherlands signed "sous réserve de ratification", the agreement cannot come into effect before it has been approved by the legislatures of the United States and the Netherlands.

A short summary of the main provisions of the Brussels agreement follows. The agreement consists of a covering document and an annex which is divided into six parts.

Covering Document

Article 1 of the covering document provides that in dealing with German enemy assets the parties "shall be guided as far as possible . . . by the provisions" of the agreement and "shall take such action to give effect to the Agreement as may be necessary and appropriate."

The other articles in the covering document deal with prior and future agreements, the settlement of disputes by negotiation between the parties or by joint appointment of a conciliator, the effective date of the agreement, the accession to the agreement by countries members of IARA and countries not members of IARA, and the application of the agreement to colonies or overseas territories or mandates.

Annex

Part I concerns certain types of property owned by German enemies or held for German enemies, such as securities, currency, negotiable instruments, bills of lading, warehouse receipts, and foreign currency bank deposits or accounts. The provisions as to securities and foreign currency bank deposits have been discussed. Currency, as in the case of securities, goes to the country of issue; negotiable instruments to the country of residence of the principal obligor; and warehouse receipts to the country where the property is located.

Part II concerns the estates of nonenemy decedents and trusts created by nonenemies, in which there is a German enemy interest. It provides in general that property of such estates and trusts, wherever situated, shall be subject to "normal administration" and the German enemy interest retained by the country of the domicile of the decedent or the country under whose laws the trust is administered. An exception exists for real estate in a decedent's estate. In this case the country where the real estate is located may retain the German enemy interest.

Part III concerns property situated within the jurisdiction of one party (secondary country) and owned by an enterprise (primary company) organized under the laws of another party (primary country), in which enterprise there exists a German interest. Where the German interest in the property in the secondary country or the primary company amounts to control (as defined in detail in article 11B), it is provided that, with certain exceptions, the property shall be released in kind but the secondary country shall be entitled to receive reimbursement from the primary country in an amount representing that portion of the value of the property in the secondary country corresponding to the percentage of German interest in the primary company (articles 11, 12, 13).

These exceptions concern German controlled production enterprises in a secondary country, considered by it to be necessary to its national security; cases involving property in a secondary country belonging to dummy or closely held holding companies; and cases where the parties agree that release in kind is not practicable or that administrative difficulty or other special circumstances require the liquidation of the property in the secondary country. In these cases provision is made for the retention and liquidation of the property or the German interest in the property and for protection of the nonenemy interests in the primary company, rather than for release of the entire property and reimbursement (articles 13, 15, 16).

The nonenemy interests in a primary company are entitled to that portion of the property in the secondary country corresponding to these interests (articles 15, 16, 17).

If the property in the secondary country and the primary company are not German controlled, the property must be released without reimbursement (articles 11, 12), unless the primary company is a dummy or a closely held company (article 16).

Part IV concerns property within the jurisdiction of a party and owned by an enterprise organized under the laws of Germany, in which enterprise nonenemy nationals of parties have an interest (article 21). The agreement provides that this property shall be released to the extent of the interests in the enterprise of the nonenemy nationals and pursuant to arrangements to be made between the parties concerned, if the nonenemy

nationals directly or indirectly own 25 percent or more of the shares in the enterprise, or control the enterprise (article 22).

Release shall be made in kind except in the cases of German controlled enterprises in a signatory country considered by that country to be necessary to its national security, and in the cases where the parties agree that release in kind would not be practicable. In these cases provision is made for the release of the proceeds of sale or liquidation in substitution of the property which would otherwise have been released in kind (article 24).

Part V contains a number of miscellaneous provisions which supplement the substantive provisions of the first four parts. Thus a party is not obliged to release an enemy interest in property if this interest will not be treated by the recipient party as German enemy (article 26A). The release of property may be affected by the existence of judicial or administrative proceedings as to the property (article 26H). In determining whether property is owned or controlled by a German enemy, certain transfers need not be recognized if they occurred after the institution of wartime emergency measures or after the occupation of a country; or if they were "forced transfers" in Ger-

many; or if they were forced transfers outside Germany within the meaning of the inter-Allied declaration of January 5, 1943, against acts of dispossession (article 27). Property which is cloaked for a German enemy shall be regarded as directly owned by that German enemy (article 28). Nothing in the agreement may be construed to confer any right on a person to prosecute a claim in any court or administrative tribunal against his government or any other party (article 33).

Part VI concerns the machinery and procedure of conciliation to be followed if a dispute with respect to the interpretation, implementation, or application of the agreement is not resolved by negotiation between the parties. Provision is made for a panel of seven conciliators to be elected by the parties (article 35). A party may request the appointment of a conciliator from this panel to decide a dispute. This conciliator will hear the parties and formulate a solution which is, in his opinion, the best possible solution in the spirit of the agreement, and the solution so formulated will be binding and final (article 37A). The question whether the national security of a country requires retention of property is not subject to the procedure of conciliation (article 38).

TEXT OF AGREEMENT¹

The Governments Parties to the present Agreement,
Desiring to resolve conflicting claims to German enemy assets within their respective jurisdictions and to facilitate the disposal of such assets to the common advantage,
Have agreed as follows:

Article 1

In dealing with German enemy assets the Parties to the present Agreement (hereinafter and in the Annex hereto referred to as Parties) shall be guided as far as possible, in their relations with each other, by the provisions set forth in the present Agreement and in its Annex (hereinafter and in the Annex hereto together referred to as the Agreement), and shall take such action to give effect to the Agreement as may be necessary and appropriate.

Article 2

The Agreement shall not supersede any prior agreements concluded between any two or more Parties, or between a Party and another Government not a Party; provided that no such prior agreement between any of

¹Text printed from Department of State press release 944 of Dec. 4, 1947.

the Parties shall adversely affect the rights under the Agreement of another Party not party to the prior agreement, or those of its nationals.

When a prior agreement between a Party and another Government is deemed by a Party, not party to the prior agreement, to affect adversely its rights under the Agreement or those of its nationals, the Party who is also party to the prior agreement shall approach the other Government in order to secure, if possible, such modification of the relevant provisions of the prior agreement as will render them consistent with the Agreement.

Article 3

Nothing in the Agreement shall preclude any Party or Parties from concluding in the future any separate agreement; provided that such subsequent agreement shall not affect adversely the rights under the Agreement of another Party not party to the subsequent agreement, or those of its nationals.

Article 4

If a dispute arises between two or more Parties with respect to the interpretation, implementation or application of the Agreement, such Parties shall endeavour by every means possible to settle such dispute by negotia-

tion between themselves, which may include the use of a mutually acceptable conciliator with such powers as the Parties in dispute may agree. If the dispute is not resolved within a reasonable time by such negotiation, the dispute shall be settled in the manner provided in Part VI of the Annex.

Article 5

The Agreement shall come into force, as respects Governments which have signed it before it comes into force, as soon as it has been signed at any time before September 1, 1948, on behalf of Governments which, under Part 1, Article 1 B of the Paris Agreement on Reparation of January 24, 1946, are collectively entitled to not less than 35 percent of the aggregate of shares in Category A of German reparations.

The Agreement shall remain open for signature by other Governments Members of the Inter-Allied Reparation Agency for a period of six months from the date upon which it comes into force, and shall become effective with respect to those Governments immediately upon signature.

Article 6

If any Government which is not a member of the Inter-Allied Reparation Agency signifies in writing to the Government of Belgium within nine months of the date upon which the Agreement comes into force that it desires to become a Party to the Agreement, or to a similar agreement, the Parties will consider in consultation with one another and with that Government its participation in such an agreement; provided that nothing in this Article shall be deemed to qualify any right of any Party under Article 3 above.

Article 7

Any Government to which the Agreement is open for signature may, in lieu of signing, give notification of acces-

sion, in writing, to the Government of Belgium, and a Government making such notification of accession shall be deemed to have signed the Agreement on the date of receipt of the notification by the Government of Belgium.

Article 8

Any signatory Government may, at the time of signature or later, declare by notification in writing to the Government of Belgium that it desires the Agreement to apply to all or any of its overseas territories or colonies or territories under its suzerainty or protection or territories in respect of which it exercises a mandate or trusteeship, and the Agreement shall apply to the colonies and territories, named in the notification, from the date of receipt thereof by the Government of Belgium or from the date on which the Agreement comes into force in respect of the notifying Government, whichever is the later.

In witness whereof the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in Brussels on December 5, 1947, in the English and French languages, the two texts being equally authentic, in a single original which shall be deposited in the Archives of the Government of Belgium. The Government of Belgium will furnish certified copies of the Agreement to each Government Signatory of the Paris Agreement on Reparation of January 24, 1946, and to each other Government on whose behalf the Agreement is signed, and will also inform those Governments of all signatures of the Agreement and of any notifications received thereunder.

For the Government of Canada

For the Government of the Netherlands

For the Government of the United States

ANNEX

Part I: Property Owned by German Enemies

Article 1

A. For the purpose of this Article, "security" means any stock, bond, debenture, share or, in general, any similar property known as a "security", in the country of issue.

B. Where a security owned by a German enemy has been issued by a Party or by a governmental or private organisation or person within its territory but the certificate is in the territory of another Party, the certificate, whether in registered or in bearer form, shall be released to the former Party.

C. A German enemy owner of a certificate issued by an administration office, voting trustee or similar organisation or person, and indicating a participation in one or more specifically named securities, shall be regarded as the owner of the amount of securities specifically indicated, and Paragraph B of this Article shall apply to these securities.

D. A Party obliged under this Article to release a certificate shall not be required to release the income (in cash or otherwise) which has before July 1, 1947, been received

in its territory by the releasing Party or by any person acting under its authority. Income received by such Party or person on or after July 1, 1947, shall be released to the Party entitled to the release of the certificate.

E. A Party obliged under this Article to release a certificate shall not be required to release the proceeds of any liquidation by sale, redemption or otherwise, which were, on December 31, 1946, in the form of cash or of securities issued by that Party or by a Governmental or private organisation or person within its territory, even if such cash was reinvested or such securities were sold or traded after that date. If the proceeds were, on December 31, 1946, in the form of securities issued by another Party or by a Governmental or private organisation or person within its territory, such securities (or the proceeds of their liquidation after that date) shall be released to the latter Party.

Article 2

A. For the purpose of this Article, "currency" means any notes, coins or other similar monetary media except those of numismatic or historical value.

B. Where currency has been issued by a Party or by a Governmental or private organisation acting under its authority but the currency is owned by a German enemy and is in the territory of another Party, the currency shall be released to the former Party.

C. Where currency has been sold before January 1, 1947, no release shall be required; but release of the proceeds shall be required if sale has taken place on or after January 1, 1947.

D. Nothing in this Article shall prejudice any rights or obligations which Parties may have under Part III of the Paris Agreement on Reparation.

Article 3

Where a negotiable instrument (such as a bill of exchange, promissory note, cheque or draft), not covered by Article 4 of this Annex, owned by a German enemy, is in the territory of a Party and the principal obligor is resident in the territory of another Party, the instrument shall be released to the latter Party.

Article 4

Where a bill of lading, warehouse receipt or other similar instrument, whether or not negotiable, owned by a German enemy, is in the territory of a Party but the property to which it relates is located in the territory of another Party, the instrument shall be released to the latter Party.

Article 5

A. A foreign currency account ("primary account") maintained in favour of a German enemy by a financial institution in the territory of a Party ("primary country") covered in whole or in part by an account ("cover account") with a financial institution in the territory of another Party ("secondary country") shall be treated as follows:

(i) The cover account shall be released and the primary country shall reimburse the secondary country in an amount equal to 50% of the cover account applicable to the primary account. Such reimbursement shall be made in accordance with the terms of Article 14 of this Annex.

(ii) Where the secondary country has vested or otherwise taken under custodian control the income from German enemy property situated in the secondary country or the proceeds of the liquidation of German enemy owned securities issued by the secondary country or by a Governmental or private organisation or person within its territory and which securities were held in a custody or depot account, such income or such proceeds may be retained by the secondary country and sub-paragraph (i) of this Paragraph shall not apply thereto.

B. For the purpose of this Article, accounts shall include named, numbered or otherwise specially designated accounts and sub-accounts as well as undesignated accounts and sub-accounts.

Article 6

Where property covered by this Part is owned partly by a German enemy and partly by a non-enemy, the method of segregating the respective interests and releas-

ing the enemy interests shall be determined by agreement between the interested Parties. The German enemy interests shall then be released to the Party which would have been entitled to the property if it had been wholly German enemy owned.

Part II: Deceaseds' Estates, Trusts and Other Fiduciary Arrangements Under Which a German Enemy Has an Interest

Article 7

A. Except as provided in Paragraph B of this Article, property within the jurisdiction of a Party, forming part of the estate of a non-enemy person who has died domiciled in the territory of another Party, in which estate a German enemy has an interest whether as a beneficiary or creditor, shall be released from control of the custodian authorities of the former Party with a view to facilitating normal administration of the estate in the territory of the latter Party. Property so released shall be subject to the application of the laws of the releasing Party governing administration and distribution of the deceaseds' estates. When under such laws distribution of the deceased's estate is made directly to the persons who have an interest in the estate, the releasing Party shall take appropriate action to assist in making available to the other Party the distributive share of each German enemy.

B. Notwithstanding the provisions of Paragraph A of this Article, where a non-enemy domiciled in the territory of one Party has died owning immovable property in the territory of another Party and an interest in the property devolves upon or is to be distributed to a German enemy under the will of the deceased or under the applicable laws of descent, the interest may be retained by the latter Party, subject to the rights of non-enemy creditors of the deceased or of non-enemy heirs to whom, under applicable law, a portion of the immovable property is reserved.

C. This Article shall not apply to any property in the estate of a deceased if the property was administered and distributed before the Party in whose territory the property was located instituted war-time emergency measures applicable to the administration and distribution of the property of the deceased.

D. For the purposes of this Article, the domicile of a deceased shall be determined according to the law of the Party within whose jurisdiction the property is located.

Article 8

Property within the jurisdiction of a Party which is held under a bona fide trust or other bona fide fiduciary arrangement in which a German enemy has an interest as a beneficiary or otherwise, and which trust or fiduciary arrangement is being administered under the laws of another Party, shall be released from the control of the custodian authorities of the former Party, except that such Party may retain any interest of a German enemy in immovable property located in its territory. Such release shall not be obligatory under this Part of this Annex in cases where the trust or other fiduciary arrangement

was established by a person resident in Germany, or a German enemy, or a person who subsequently became a German enemy.

Article 9

The Party in favour of which property is released under this Part of this Annex shall recognise the rights of non-enemies in the estate, trust or other fiduciary arrangement.

Article 10

The principles of Part I of this Annex shall not be applicable to property released under this Part or distributed to the custodian authorities of a Party from an estate, bona fide trust or other bona fide fiduciary arrangement governed by this Part.

Part III: Property Owned by Enterprises Organised Under the Laws of a Party

Article 11

A. This Part shall apply to property situated within the jurisdiction of a Party and owned by an enterprise organised under the laws of another Party in which enterprise there was a direct or indirect German enemy interest on the material date. The Party within whose jurisdiction the property is situated shall be referred to as the "secondary country" with respect to that property. The enterprise owning the property shall be referred to as the "primary company" with respect to that property. The Party under whose laws the enterprise is organised shall be referred to as the "primary country" with respect to that property. The terms "enterprise" and "company" shall include any firm or body of persons, whether corporate or unincorporate. Property of an enterprise organised in the form of a trust, and property of a banking or financial institution other than the foreign currency cover accounts governed by Article 5 of this Annex, shall be dealt with under this Part. However, this exception with respect to cover accounts shall not be construed to imply that any cover accounts are or are not the property of the institution.

B. An enterprise shall be deemed to be German controlled if at the material date German enemies held directly or indirectly:

- (i) 50 percent or more of the voting rights, outstanding capital stock or other proprietorship interests, or
- (ii) participating rights in a voting trust arrangement which rights represented 50 percent or more of such voting rights, outstanding capital stock or other proprietorship interests;

or if at the material date German enemies directly or indirectly controlled the policy, management, voting power or operations of the enterprise. The property in the secondary country shall be deemed to be German controlled if at the material date German enemies directly or indirectly controlled the policy, management, use, or operation of the property.

Article 12

Except as otherwise provided in this Agreement, all property in a secondary country owned by a primary

company shall be released by the secondary country and the secondary country shall be entitled to receive reimbursement from the primary country in an amount representing that portion of the value of the property in the secondary country which corresponds to the percentage of direct and indirect German enemy interest in the primary company on the material date. Release in each case shall take place as soon as an agreement has been reached between the countries concerned on whether either the property in the secondary country or the primary company shall be treated as German controlled and on the general limits of, and method of calculating, the percentage of direct and indirect German enemy interest in the primary company on the material date. If the property in the secondary country and the primary company are not German controlled, the property shall be released forthwith without reimbursement.

Article 13

A. Release of property in a secondary country shall be made in kind unless:

(i) the property has been liquidated by the secondary country prior to the date on which the Agreement comes into force in respect of that country; or

(ii) the primary and secondary countries concerned agree that release in kind would not be practicable or the primary company consents to the sale or liquidation of the property by the secondary country; or

(iii) the property in the secondary country is a production enterprise or a substantial interest therein, and such property or the primary company concerned is German controlled and, after full consideration of the economic interest of the primary country, the secondary country determines in exceptional cases that its national security nevertheless requires retention of the property and gives notice to the primary country to that effect.

B. Where release is not made in kind, the secondary country shall release in substitution the proceeds of the sale or liquidation of the property which would otherwise have been released in kind. If such property has not been sold or liquidated within one year after agreement or consent under sub-paragraph (ii) of Paragraph A of this Article or the giving of notice under sub-paragraph (iii) thereof, or within an agreed extension beyond that period, the value of the property retained as determined by accepted principles of valuation shall be released.

Article 14

Reimbursement shall be paid to the secondary country by the primary country in the currency of the secondary country within two years after the date of release of the property. Payment may be delayed, however, in accordance with foreign exchange restrictions applicable generally to payment of capital obligations from time to time in effect in the primary country, provided that such restrictions are maintained in accordance with the Articles of Agreement of the International Monetary Fund and provided further that in any event full payment shall be made within seven years after the date of the release. Interest at the rate of 2 percent per annum shall be paid

to the secondary country by the primary country on such balance of reimbursement as remains unpaid at and after the end of the two year period.

Article 15

Where administrative difficulty to the secondary country requires it or in other special circumstances the secondary and primary countries concerned may agree that the secondary country shall retain that proportion of the value of the property in the secondary country to which it is entitled under the provisions of Article 12 of this Annex. In such event, the secondary country shall release the excess of the property above the amount to which it is entitled and such excess shall inure to the benefit solely of the non-enemy interests in the primary company.

Article 16

Where the primary company is a dummy company or is a holding company whose outstanding stock is closely held or is not regularly traded in a recognised financial market, the secondary country, notwithstanding the provisions of Article 12 of this Annex, may retain that proportion of the property in the secondary country which corresponds to the percentage of direct and indirect German enemy interest in the dummy or holding company on the material date. In such event, the secondary country shall release the excess of the property above the amount to which it is entitled and such excess shall inure to the benefit solely of the non-enemy interests in the primary company.

Article 17

It is contemplated that the proportion of the value of the property in the secondary country which corresponds to the percentage of the direct and indirect non-enemy interests in the primary company shall inure to the benefit of such non-enemy interests. In arrangements for release and reimbursement made under this Part between two or more Parties, the Parties shall make reasonable provisions to avoid injury to interests in the primary company of non-enemies who are nationals of a third Party.

Article 18

In applying the rules of this Part to a case involving a chain of companies, releases of property and reimbursement payments shall be made between secondary countries and their respective primary companies and countries. On the other hand, in calculating the percentage of direct and indirect German enemy interest in each of the successive primary companies, such interests shall be traced through the entire chain of companies.

Article 19

With respect to the types of property covered by Articles 1 to 4 inclusive of this Annex, owned by enterprises governed by Part III of this Annex, that country which would be entitled to obtain release of property under the principles of such Articles shall be regarded as the secondary country for the purposes of Part III; in the case of foreign currency accounts under Article 5 of this Annex, maintained in favour of an enterprise governed by Part III, the country where the primary account is maintained and

the country where the cover account is maintained shall each be regarded as the secondary country for the purposes of Part III to the extent of 50 percent of the foreign currency cover account.

Article 20

An enterprise organised under the laws of Germany shall be considered as wholly German enemy for the purpose of administering this Part, but property which is received in reimbursement or retained by any country under this Part shall be available for the protection of non-enemy interests in such enterprise, in accordance with the provisions of Part IV of this Annex.

Part IV: Property Owned by Enterprises Organised Under the Laws of Germany

Article 21

This Part shall apply to property within the jurisdiction of a Party owned by an enterprise organised under the laws of Germany in which enterprise non-enemy nationals of Parties directly or indirectly have, and on September 1, 1939, had an interest. Non-enemy nationals of Parties referred to in this Part must have been nationals of Parties as of September 1, 1939.

Article 22

For the protection of the interests in the enterprise of non-enemy nationals, referred to in Article 21 of this Annex, the property to which this Part applies shall, subject to the provisions of Articles 23 and 24 of this Annex, be released to the extent of those interests and pursuant to arrangements to be made between the Parties concerned, if non-enemy nationals of Parties directly or indirectly:

- (i) own and, on September 1, 1939, owned 25% or more of the shares in the enterprise; or
- (ii) control and, on September 1, 1939, controlled the enterprise.

Article 23

No Party shall be obliged to release property under this Part, in respect of which no claim, sponsored by another Party, has been received by the former Party within one year after the coming into force of the Agreement between the respective Parties. Before sponsoring a claim under this Part, a Party shall be satisfied by a claimant, being one of its nationals, that Article 22 of this Annex applies. Where a claim is filed with the Party in whose jurisdiction the property is located and Article 22 of this Annex applies, such Party shall notify all other Parties and shall consider the claims of all non-enemy nationals of Parties who qualify under Article 21 of this Annex.

Article 24

A. Release of property under this Part shall be made in kind unless:

- (i) the property has been liquidated prior to the date on which an eligible sponsored claim is filed with respect to the property pursuant to Article 23 of this Annex; or
- (ii) the Parties concerned agree that release in kind would not be practicable; or
- (iii) the property to be released is a production enterprise or a substantial interest therein, and such property

or the enterprise organised under the laws of Germany is German controlled and, after full consideration of the economic interests of the other Party or Parties concerned, the Party in whose jurisdiction the property is located determines in exceptional cases that its national security nevertheless requires retention of the property and gives notice to the other Party or Parties to that effect.

B. Where release is not made in kind, there shall be released in substitution the proceeds of the sale or liquidation of the property which would otherwise have been released in kind. If such property has not been sold or liquidated within one year after agreement under sub-paragraph (ii) of Paragraph A of this Article or the giving of notice under sub-paragraph (iii) thereof, or within an agreed extension beyond that period, the value of the property retained as determined by accepted principles of valuation shall be released.

Article 25

With respect to the types of property covered by Articles 1 to 4 inclusive of this Annex, owned by enterprises governed by Part IV of this Annex, property shall be regarded as being within the jurisdiction of the Party which would be entitled to obtain the release of such property under the principles of such Articles; in the case of foreign currency accounts under Article 5 of this Annex, maintained in favour of an enterprise governed by Part IV, the country where the primary account is maintained and the country where the cover account is maintained shall each be regarded as having jurisdiction over the property to the extent of 50% of the foreign currency cover account.

Part V: Interpretation and Application

Article 26

A. A Party shall not be obliged to release an enemy interest in property to another Party or to an enterprise organised under the laws of that other Party except to the extent that such interest will be treated directly or indirectly by the recipient Party as German enemy.

B. A Party obliged under the Agreement to release property shall not be required to reverse any act of liquidation which has been carried out by sale, redemption or otherwise. The vesting, sequestration or confiscation of property shall not be regarded as constituting liquidation for the purposes of the Agreement.

C. Except as otherwise expressly provided in the Agreement, a Party obliged to release property shall, if the property has been liquidated, release the proceeds of such liquidation.

D. Except as otherwise expressly provided in the Agreement, a Party obliged to release property shall release all income or other benefits (in cash or otherwise) which have been received by it or by any person in its territory acting under its authority in respect of that property.

E. The Party to which property is released under the Agreement shall fully recognise bona fide liens or pledges thereon legally obtained within the territory of the releasing Party which became effective prior to the date when the recipient Party took war-time emergency

measures to prevent the acquisition of liens or pledges with respect to such property or the date when the territory of the recipient Party was invaded by Germany and were valid under the laws of the recipient Party in effect prior to such date. A releasing Party shall not be obliged hereby to take any measures to set aside any bona fide lien or pledge valid under its laws which arose or was created either (a) prior to the date on which the releasing Party took war-time emergency measures to prevent the acquisition of such liens or pledges with respect to the property involved, or (b) after such date under license or other authorisation by such Party.

F. Administrative charges and expenses of conservation and liquidation shall be borne by the recipient Party unless that Party requests the releasing Party to bear a portion thereof. In such event the obligation of the releasing Party shall be limited to the amount of the income or other benefits (if any) which the recipient Party establishes were received and were retained under the Agreement by the releasing Party or by any person in its territory acting under its authority with respect to the specific property released.

G. Where property is subject to release under the Agreement the method of delivery and the payment of any delivery costs shall be arranged between the Parties concerned.

H. (i) A Party shall not be required under the Agreement to make a release of property so long as there is pending any judicial or administrative proceeding in the territory of:

(a) The releasing Party, if the proceeding requires retention of the property by that Party or may result in a determination that the property is not directly or indirectly German enemy owned or controlled;

(b) the recipient Party, if the proceeding may result in a determination that the property is not directly or indirectly German enemy owned or controlled and may thus prevent that Party from treating the released property as German enemy.

(ii) If, after property is released under the Agreement:

(a) the recipient Party is obliged as a result of litigation in its territory to surrender custodian control of the property, the releasing Party may reassert its custodian control over the property in order to make an independent test of the litigated issue;

(b) the releasing Party is obliged as a result of litigation in its territory to make a disposition of the property which release has prevented it from making, that Party may reassert custodian control over the property in order to comply with the obligation imposed by the litigation.

If reassertion of custodian control by the releasing Party is required under this sub-paragraph, the recipient Party shall take appropriate action to facilitate such reassertion.

(iii) At the request of the releasing Party, appropriate arrangements shall be made by the recipient Party prior to the release of any property:

(a) assuring the releasing Party that it will be able to regain custodian control over the property or of the proceeds of sale or liquidation or of the value thereof, if required under the terms of sub-paragraph (ii) above;

(b) for indemnification of charges or expenses which may be incurred by the releasing Party with respect to the released property after the date of release.

I. The release of property under the provisions of the Agreement shall not terminate or otherwise affect the dedication of patents to the public, the placing of patents in the public domain or the grant of licenses to patents with or without royalty, pursuant to the provisions of Articles 1 or 2 of the German Patent Accord signed in London on July 27, 1946, or other agreement, when such action is taken prior to the release of the property.

J. A Party shall be entitled at its discretion to refuse to accept a release under the provisions of the Agreement and in such event shall not be liable for payment of the charges and expenses referred to in Paragraphs F and G and sub-paragraph (iii) of Paragraph H of this Article.

Article 27

A. Nothing in the Agreement shall oblige any Party to recognise:

(i) any transfer of, or other transaction relating to, a German enemy interest, occurring after the institution of war-time emergency measures by that Party or after the invasion of the territory of that Party by Germany;

(ii) any transfer of non-enemy property in Germany to German enemies, or any assumption by German enemies from non-enemies, of control over property in Germany, which was forced without adequate consideration by action of the Government of Germany whether before or after September 1, 1939. This sub-paragraph shall apply only to property of, or controlled by, non-enemies who were nationals of Parties at the time of the transfer of the property or the assumption of control over the property.

B. In determining whether any property is owned or controlled by a German enemy no transfer to a German enemy or dealings with a German enemy shall be taken into account which represent looting or forced transfers within the meaning of the Inter-Allied Declaration of January 5, 1943, against Acts of Dispossession.

Article 28

Property which is held for the benefit of a German enemy by any individual or body of persons, corporate or unincorporate, as a cloak, nominee, agent, trustee or in any other capacity, shall be regarded as directly owned by that German enemy. The question of recognising any interest which the holder of such property may claim therein shall not be prejudiced by the foregoing but shall be resolved in each case by negotiation between the Parties concerned.

Article 29

The assertion of custodian control over a German enemy interest in property within the territory of one Party shall not be deemed to have destroyed the German enemy interest in property within the territory of another Party.

Article 30

A branch or other similar office within the territory of a Party of an enterprise organised under the laws of

another country shall be regarded as a separate entity located within the territory of the Party. A partnership having its principal office in the territory of any Party shall be regarded as an enterprise located in that territory regardless of the residence or domicile of the partners.

Article 31

Where under the Agreement special problems arise respecting a complex organisation having subsidiary or affiliated organisations with properties within the territories of several of the Parties, a committee composed of representatives of each of the interested Parties may be constituted to consider the problems and make recommendations for their solution.

Article 32

Parties shall exchange information and otherwise cooperate for the purpose of giving effect to the Agreement; provided that information given pursuant hereto shall be regarded as confidential by the Party receiving it which undertakes to use it exclusively for the purpose of implementing the Agreement and the Paris Agreement on Reparation of January 24, 1946.

Article 33

Nothing in the Agreement shall be construed to confer any right on an individual or body of persons, corporate or unincorporate, to prosecute a claim in any court or administrative tribunal against his or their Government or against any other Party.

Article 34

In this Annex:

(i) the term "property" shall include all rights, titles and interests in property;

(ii) the expression "war-time emergency measures" means the measures for the control of German enemy owned property, or of transactions by or on behalf of German enemies taken by a Party on or after September 1, 1939 whether or not taken prior to that Government's actual participation in the War;

(iii) the expression "the material date" means the day on which the secondary country as defined in Part III of this Annex came into the war or took war-time emergency measures, whichever is earlier.

Part VI: Conciliation

Article 35

In order to give effect to the provisions of Article 4 of the Agreement to which this is the Annex, a Panel of Conciliators consisting of seven members shall be established in the following manner:

(i) Each Party which has signed the Agreement before the expiry of six months after its coming into force may, by written notice to the Secretary General of the Inter-Allied Reparation Agency, nominate not more than three candidates for election to the Panel, and the Secretary General shall not accept any nomination after the expiry of that period.

(ii) The Secretary General shall, by secret ballot, conduct an election of the Panel of Conciliators and only those Parties which have signed the Agreement before the expiry of six months after its coming into force shall be entitled to vote.

(iii) Each Party shall be entitled to cast one vote in respect to each vacancy on the Panel. A Party shall not cast more than one vote for any one candidate.

(iv) The seven candidates receiving the highest number of votes shall be elected to the Panel; provided that no candidate shall be elected who has not received the vote of at least two-thirds of the Parties voting, and provided that not more than two nationals of the same country shall be elected.

(v) From the seven members of the Panel so elected, the Parties entitled to vote, exercising one vote each, shall elect by secret ballot a President of the Panel by a majority of at least two-thirds of the votes cast.

(vi) In case of the death or retirement of the President or any other member of the Panel, the vacancy shall be filled by vote of the then Parties. Each Party may nominate one candidate, and election shall be by a majority of at least two-thirds of the votes cast.

Article 36

Immediately upon its election the Panel shall formulate, for its internal organization and its work, such basic rules as it deems necessary. A fee therefor shall be paid to the members of the Panel by the Parties specified in sub-paragraph (ii) of Article 35 at a rate fixed by the Secretary General of the Inter-Allied Reparation Agency.

Article 37

A. If a dispute is not resolved within a reasonable time by negotiation as provided in Article 4 of the Agreement to which this is the Annex, a Party may request the President of the Panel of Conciliators referred to in Article 35 of this Annex to appoint from the Panel an

impartial Conciliator who shall hear the Parties and may call for additional evidence. The Conciliator shall formulate a solution which is in his opinion the best possible solution in the spirit of the Agreement, and the solution so formulated shall be binding upon the Parties concerned and final.

B. The President shall, upon application of any of the parties in dispute, determine whether a reasonable time has elapsed before submission of the case to conciliation under Paragraph A of this Article; provided that a period of less than one year from the commencement of negotiations between the Parties in dispute shall not be considered a reasonable time for the purposes of this Paragraph.

Article 38

The question whether in the opinion of the secondary country, its national security requires the retention of property under sub-paragraph (iii) of Paragraph A of Article 13 of this Annex and sub-paragraph (iii) of Paragraph A of Article 24 of this Annex shall not be subject to the procedure of conciliation.

Article 39

The Conciliator shall not be entitled to grant any modification of the obligation to make full payment in the currency of the secondary country within seven years after the date of the release as required by Article 14 of this Annex.

Article 40

Each Party in dispute shall pay to the Conciliator such fees and expenses as he may determine. Any such Party may request the President of the Panel to review the fees and expenses fixed by the Conciliator, or their allocation between the Parties. The decision of the President on the matter shall be final.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Tensions in the United Nations

BY WARREN R. AUSTIN¹

U.S. Representative at the Seat of the United Nations

Before launching upon the subject of our discussions, I wish to express the deep appreciation of the American Delegation for the service rendered our cause by one of your distinguished citizens, Mr. Adlai Stevenson. He played a significant role in the drafting of the United Nations Charter at San Francisco, in the initial period of organization at London, and as a member of the American Delegation to the first and second sessions of the General Assembly in New York. I personally, and my colleagues in the United States Mission to the United Nations, are indebted to Mr. Stevenson for his counsel on the broad range of our problems as well as his competent handling of the specific responsibilities entrusted to him. He has won the admiration and friendship of foreign delegations as a spokesman for his country who in his person displays the qualities of leadership.

The most important problem of our generation is that of preventing and abolishing war and of building and maintaining peace. I want to say at the outset that in attempting a realistic analysis of this problem, giving frank recognition to the difficulties we must surmount, I do not waiver in my conviction that we can and shall succeed in using the United Nations to achieve collective security. My conviction is based on a very simple proposition—namely, the people of the world want peace more than they ever have before in human history. Where there is a will there is a way. I am persuaded that there is not only a desire but also

a powerful will to peace in all countries and that we can find the way to make peace prevail.

Yet it will not serve our cause to underestimate the difficulties in the way nor to overestimate the gains we are able to make in the short run. Our support of the United Nations must rest upon a realistic appraisal of the problem and the forces operating within the international organization. In spite of the road-blocks in the way of our central goal of collective security, we continue our support and persist in exercising our influence within the counsels of nations. Why? We are determined to reach the goal, and therefore we hold steadfastly to the best means of reaching it.

The very fact that we have a vast international organization meeting in conferences in various places all over the world enables us to see in bold relief the differences and tensions between nations as they appear and as they reflect realistically the situation in the international world today. We have a unique opportunity to study at close range, in open forums, both the tensions and the conditions they reflect.

I should like to discuss with you frankly the tensions in the United Nations, suggest how we might act to relieve these tensions and how we might hasten the realization of collective security envisaged in the United Nations Charter.

We have just concluded a significant session of the General Assembly in New York. During this Assembly, we have had an opportunity to observe the expression of opinions—so violent at times that many people wondered whether any common ground could be found for agreement. Let us look for a moment at a few of the achievements and then face up to the frustrations.

¹ Address delivered before the Chicago Council on Foreign Relations at Chicago, Dec. 17, 1947, and released to the press by the U.S. Mission to the United Nations on the same date.

In spite of disturbing signs of disunity, the vital objective of keeping the differing parties around the same table, clarifying their views for each other and world opinion, seems more assured now than before. On most basic issues the member nations displayed determination to act together by impressively large majorities.

By a vote of 40 to 6, they asserted the power and authority of the General Assembly in the Greek border case, action by the Security Council having been prevented by the Soviet veto. During the debate, the entire membership learned about the findings of the Commission of Investigation and the claims of all sides were given a thorough airing in the world forum. Such exposure, in my judgment, is a powerful brake on aggressive action. The Greek Border Commission established by the Assembly at this session is a tangible accomplishment. It will keep an area which has been a danger spot for generations under a strong international floodlight. It is now impossible for the territorial integrity and political independence of Greece to be assassinated in the dark. Everyone knows who wants the light and who does not.

By a vote of 41 to 6, the General Assembly strengthened its own machinery by creating an Interim Committee of the whole membership to meet during the recess between the end of the session and the beginning of the next one. While the Interim Committee does not give the Assembly any new constitutional authority, it buttresses its existing authority by enabling it to carry out its responsibilities in the field of peace and security more continuously and efficiently.

In the future, issues which have tended to dominate the agenda at the regular annual sessions will be explored and prepared in advance. The Interim Committee will relieve the Assembly of inconsequential matters and bring the issues into clearer focus.

Under the Charter, nations can bring situations or disputes either to the Security Council or the Assembly. If a nation feels that the situation requires a decision carrying the power of enforcement it would ordinarily take the case to the Security Council. On the other hand, a nation might feel that the tremendous moral power of recommendation could best serve the cause of peace, and it would therefore bring the problem to the Assembly. When the arm of the Security Council

is threatened with paralysis by the veto, it is natural for nations to lean more heavily on the unfettered arm of the Assembly.

By a vote of 43 to 0, another significant step was taken by the Assembly in the case of Korea. It created a commission to help prepare for and observe an election and to recommend steps leading toward unity and independence. The mere presentation of the stalemated Korean situation to the Assembly produced an immediate reaction on the part of the Soviet Union. In committee, the Soviet Union offered proposals with the obvious hope of avoiding or at least delaying Assembly action. When these proposals were turned down, it refused to participate in the vote. Once again the process of exposure of the issues and claims was made, and it is clear who wanted to submit the problem to the world community and who did not.

In the case of Palestine, the Assembly took a far-reaching step by its vote for partition with a United Nations trusteeship over Jerusalem. The full gamut of Assembly methods was used: a special Assembly last spring which set up a commission of disinterested parties to investigate and recommend; review of the long history and on-the-spot study of the case by that commission; the formulation of minority and majority recommendations; full debate of both reports in committee and plenary session of the regular Assembly; and finally, the taking of the decision by two-thirds vote. The United States and the Soviet Union stood together in this case.

The Palestine case was the *only* crucial issue on which the United States and the Soviet Union found common ground. Although dramatic divisions have been widely publicized, they have not been as numerous as is generally supposed.

The very existence and present development of the United Nations rests on a rather broad area of agreement and a willingness of nations, particularly the great powers, to compromise their views and accommodate themselves to majority positions. We have thus been able to set in motion the most ambitious organization for peace ever conceived. We have built up an efficient Secretariat, introduced novel methods of breaking down barriers of language, developed fact-finding facilities and arsenals of information for combating such ancient evils as disease, hunger, and ignorance. We have created commissions and specialized agen-

cies to deal with a whole range of vital problems through international consultation:

- the problem of control of atomic and other weapons of mass destruction;
- of reduction and regulation of armaments;
- of human rights;
- of finance and trade;
- of health and narcotics;
- of food and agriculture;
- of economics and employment;
- of education, science, and culture;
- of labor standards;
- of displaced and stateless persons.

The crowded calendar of United Nations conferences this year bears eloquent testimony to the progress we have made in a very short time in submitting problems to international treatment. I do not share the cynical view that all these conferences, although they do involve interminable talk and endless drafting of documents, are of little consequence. They are of *great* consequence, even when they fail to reach agreements or to take actions which some regard as the only test of their success. They assemble together responsible political leaders and experts to grapple with practical problems. Only through this gradual process of consultation and discussion can we hope to develop the understandings essential to common programs of action. By this means we associate people of different experiences and views. Together they seek a world view and build up a body of knowledge which is used by specialists in all nations and eventually through education becomes a foundation for public opinion. There is no short-cut to world order. The concepts and understandings must be built patiently in the minds of men.

Not only do we need to understand what will help build world order but also what will disrupt it. In this Assembly the delegates after historic debates repulsed at least three adventures by the police states to extend the reach of their system of regimentation through the United Nations.

The first and most important was a demand for world-wide suppression and censorship—a direct blow at freedom of speech wherever it exists in the world. The resolution embodying this invasion of human rights was put forward as the major drive of the Soviet Union under the pretext of preventing war-mongering and propaganda disturbing to peaceful and friendly relations among nations.

Not only was this resolution roundly defeated, but the delegates put in its place a positive and democratic proposition calling for “peace-mongering” as the antidote.

The second attempt at universalizing police-state methods concerned war criminals and displaced persons. The delegates again clarified the principles of human rights and legal protections in great debates. They defeated the effort to force the delivery of innocent people into the hands of their accusers to be put in jeopardy for their political views.

The third adventure was designed to hamstring the cooperative plans of member nations for mutual aid in programs of recovery and reconstruction. The overwhelming majority rejected the attacks on relief and recovery programs and asserted the freedom of nations to collaborate in ways best calculated to serve their welfare consistent with the Charter.

The General Assembly just concluded continued and expanded United Nations activities all along the front. It agreed on plans for building its headquarters in New York City, called upon the schools of the world to teach the youth about the United Nations, and raised a new flag symbolizing the international union.

So much for the credit side of the ledger. What do we find on the debit side?

We have not succeeded in making peace settlements outside of the United Nations through the machinery of the Council of Foreign Ministers. This fact is a major obstruction on the road to peace through collective security. The United Nations is constituted to keep peace once it has been made.

We have not found a basis for agreement on the control and outlawry of atomic and other weapons of mass destruction. The Soviet Union persists in its effort to prohibit the manufacture and use of atomic bombs by a treaty before establishing any system of control and inspection. The majority of all the other nations on the Atomic Energy Commission, except Poland, has rejected this proposal as ineffective and likely to stimulate national rivalries in this dangerous field. The majority—13 of the 15 nations that have worked in the Commission—has developed a plan for control of atomic energy to insure its use for peaceful purposes only. The Soviet Union even declined the invitation to participate in the working groups

formulating specific proposals on the functions and powers of an international control agency. Here we have a second major obstruction to collective security.

We have carried on extensive discussions in the Military Staff Committee on peace forces to implement the Charter provisions for enforcement of Security Council decisions, but there is as yet no basis for agreement.

Peace settlements, control of atomic energy, and an acceptable formula for peace forces are essential prerequisites to negotiations for the reduction and control of national armaments in general. The opposition by the Soviet Union to majority proposals in these four fields presents a formidable blockade on the road to collective security.

In the recent Assembly a small minority, led by the Soviet Union, vigorously opposed proposals supported by large majorities, such as those dealing with the Greek border, the Interim Committee, and Korea. When these proposals were adopted by more than the required two-thirds vote of the Assembly, the minority of 6 out of 57 made declarations of noncooperation on the ground that these measures violated provisions of the Charter. According to the majority interpretation of the meaning of the Charter, the actions taken were consistent with the letter and spirit of the basic law. However, a suggestion was made that the Court of International Justice be asked to rule on differences of interpretation. It was rejected by the minority. The members of the minority claimed they were right and the majority was wrong. In the view of the Soviet Union, there the matter rests.

The division within the United Nations is serious because it strikes at the central issue of collective security. That concept was based on the unanimity of the large powers. That unity is lacking on crucial issues. The Soviet Union has demonstrated an unwillingness on most vital matters to join with the majority. Rather, it has insisted that the majority accept the uncompromised position of the minority, which it claims is the only right one. In the face of this division, the Soviet Union accuses the majority of blocking the will of the minority and thus endangering peace and security.

It goes still further. It makes use of the United Nations as a sounding board to conduct a propaganda attack on member states, particularly the

United States. In vitriolic and intemperate terms, it charges that the United States is seeking to dominate other nations, that certain circles, including government officials, are conducting a propaganda campaign for a new war and attempting to build up military power for aggression.

The record of discussion and voting in the United Nations makes it clear that the division is not correctly put as one between the Soviet Union and the United States. It is rather a division between a tiny minority of border states dominated and led by the Soviet Union on the one hand and most of the rest of the world on the other.

Most of the significant points over which seemingly irreconcilable differences develop concern the question of security. Collective security means that the member nations must be willing to trust their individual security primarily to the collective defense facilities of the Organization. Obviously the Soviet Union is not yet ready to do this. It hesitates to take any of the risks involved in the establishment of collective security. It gives evidence of a purpose to rely on its own national defense.

I can understand the fear and apprehension which undoubtedly exists in the Soviet Union, a fear which, as long as we lack real collective security, will exist to some degree everywhere. People and nations can only have real security together, mutually. One does not have to ascribe motives of aggression to explain expansionist tendencies. They can be explained as defensive moves. Yet, putting the best construction on the motives does not make the moves less dangerous to all concerned.

The fear of the Russian people feeds on vivid experience. They have suffered two destructive invasions in 30 years. They are naturally security-conscious. They are likely to be apprehensive of any proposal which they think might weaken their existing defenses.

This understandable fear is constantly stimulated by the ruling group through a rigidly controlled press and radio. The Russian people live in the presence of publicity playing up foreign hostility. They are told that the large majority votes in the United Nations show that they are surrounded by hostile forces. On the other hand, they are also told that these votes do not really represent the will of these countries but are cast under duress.

The Soviet leaders visualize a rather unique defense mechanism. As a first line in the outer defenses they rely upon the Communist Parties in various countries to oppose any moves they consider contrary to Soviet interests. If the Communist Party in a given country could actually become the government, the "hostile majority" would lose one vote in the United Nations and the Soviet Union would gain a dependable ally. Thus step by step they would move toward unanimity—Communist unanimity—in the United Nations, and achieve *their* brand of collective security.

A great part of the tension in the United Nations grows out of the fact that the economic and social instability in the wake of war has favored the growth of Communist Parties in many countries. Communist leaders in those countries try to exploit chaotic conditions to seize power. They are properly regarded as fifth columns.

Whether these parties are part of a Soviet plan for world domination through world revolution or merely outposts convenient to Russian defense makes no difference in ultimate consequences. It is obvious that their existence and prospects for their ultimate success must encourage intransigence on the part of the Soviet Union on all matters involving collective security.

The United States does not seek any particular brand of unanimity in the United Nations, nor any particular political or economic system in the individual member states. But we do seek to assist in the restoration of conditions that will safeguard the freedom of member nations.

The second line of Soviet defense consists of buffer states subject to her domination. She would no doubt rather have them "friendly" of their own free will, but "friendly" they must be. And the ruling group in Russia decides precisely how a border state must demonstrate its friendliness. This bear hug of "friendliness" seeks to embrace all distressed, frightened, and despairing neighbor states.

The third and inner line is, of course, the military organization and economic support of it inside Russia. Whether you assume that the motive of the Soviet action is one or another of the three I have mentioned—namely, the Politburo's purpose to maintain its grip on the Russian people, or world domination, or national defense—the conclusion is irresistible that the consequent need is

activation of the purposes and principles of the United Nations.

This state of affairs calls for constructive action on many fronts.

In the first place, we must patiently and persistently work through all the organs of the United Nations doing everything in our power to keep the contending parties around the common conference tables. In this way the great force of world public opinion is continuously brought to bear on the problems of peace.

Through the many agencies for economic and social progress, where no veto applies, we can take the leadership and work for improvement in the conditions which favor peace. Especially must we build up the facilities for long-range activities in the fields of health and trade and social progress.

Second, we must carry through emergency measures of relief to prevent hunger and despair this winter.

Third, we must join forces with those nations which are united in the self-help European Recovery Program.

Fourth, we must develop the kind of trading world where reconstructed nations can go forward to real prosperity. This requires continuation of the reciprocal trade program and participation in the International Trade Organization and other economic agencies of the United Nations.

And fifth, we must demonstrate by deeds that Soviet fear of invasion or attack is unfounded.

This program might be called a pincer movement for peace. On the one side, we use our economic strength to help free nations remain free and become self-reliant and strong. On the other side, we maintain a strong defense of our own capable of discouraging threats to the peace anywhere.

If this works, the first-line Soviet defense, Communist Parties in other countries, will disintegrate. With the revival of confidence the parties which thrive on fear and despair will lose strength. Most of all, the Communist predictions of economic collapse in the free countries will be frustrated by economic recovery, stability, and the ever higher productivity of our trading world.

As the initiative and resourcefulness of 200 million Europeans increases the output of the most advanced industrial area in the world outside of

the United States, economic isolationism will become highly unattractive to eastern Europe. The people of that area will reach out for their customary trade. They will build business bridges over which manufactured goods and farm products can be exchanged. The second line of buffer states will be hard to hold under those conditions.

New power relationships in the world will develop because in the last analysis power is based on productivity. There will be a strong America and Western Hemisphere which have demonstrated by their acts that they are not engaged in dominating others nor preparing for assaults. The term "preventive war" will be forgotten. Those who startle people by talking about it will be recognized as irresponsible elements tolerated but not followed. There should be a strong British Commonwealth once again active in the growing trade of the world. There should be a reconstructed Europe rising to new levels of living by adapting the methods of modern technology and science to a large and free market.

Tensions reflect unstable and unbalanced condi-

tions. We are planning definite acts to change those conditions. But these tensions also reflect a state of mind—a sickness of spirit. Merely changing the physical conditions will not suffice to release the full powers of the human spirit for peaceful progress.

We must overcome fear with faith. We must break the vicious circles of recriminations and accusations by our own emphasis on the positive, the constructive, the creative. It is by our faith that our world will be made whole.

Money and materials can contribute to reconstruction only if the hands which make use of them are moved by a human spirit expressing faith in great purposes and plans. The purpose is not merely to build a material foundation for life but to cultivate a good life.

For this reason we put stress on freedom and responsibility. Europe wants more than economic recovery. It wants a new birth of freedom. Our faith in the power of free men to act rationally in the common interest is the true basis of the coming collective security.

Alien Correspondents at United Nations

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press December 24]

The Department of State has received the communication from the United Nations regarding the case of Nicolas Kyriazides and intends to pass this communication on to the Justice Department today. In so far as the case of the Indian student, Syed Sibtay Hasan, is concerned, it is our understanding that the United Nations has requested the Immigration and Naturalization Service to allow Hasan to depart voluntarily from the United States.

I should like to refute any imputation or allegation that this Government has violated in any way the United Nations Headquarters Agreement which was enacted into law by joint resolution of Congress dated August 4, 1947. We have adhered not only to the letter but to the spirit of this agreement even before the recent action of the United Nations in ratifying it.

In order to keep the record straight, it should be stressed that Kyriazides, in so far as this Government was concerned, ceased being a *bona fide* journalist at the United Nations on October 18, the date the Greek Government closed the two Athens Communist newspapers which he represented at United Nations. We were advised informally this week, after the Immigration and Naturalization Service took action against him, that Kyriazides on October 24 requested United Nations accreditation in representing himself as correspondent for a weekly newspaper published in Cyprus. We were informed this week that a clerk in the United Nations accreditation office accredited Kyriazides without referring the matter to the higher officials or notifying anyone.

The United Nations Headquarters Agreement provides, of course, that accreditation of alien correspondents at United Nations shall be only *after* consultation with the Department of State. This Government, of course, has in no way yielded up its sovereign rights to challenge the *bona fides* of any alien journalist seeking to enter this country or already in this country. It has in no way yielded its sovereign rights to investigate, to hold

hearings, and to deport alien journalists or persons holding themselves as such if the circumstances warrant, while of course seeking to be as liberal as possible in any cases involving such aliens.

In the cases of both Kyriazides and Hasan the United Nations failed to communicate with the Department of State concerning either of these two men until this week after the Justice Department action was known. The Department, of course, knew of Kyriazides' presence, because he obtained a visa in Geneva to come to United Nations, at the same time withholding information that he was a Communist. In the case of Hasan we considered him a student, as he entered on a student visa, and we learned with surprise this week that United Nations had accredited him months ago as a correspondent.

In Kyriazides' case, the Department of State has been kept currently informed for weeks concerning developments in his case, and we have cooperated fully with the Immigration and Naturalization Service, and are continuing to cooperate with that Service. It should be added that the Department has information showing conclusively that the newspaper which Kyriazides claims to represent is a small weekly paper of possibly several thousand circulation at most, and that it is financially unable to contribute to Kyriazides more than an infinitesimal portion of the amount which he would need to support himself as a *bona fide*, full-time alien correspondent in the United States. The Department considers that the provision in the United Nations Headquarters Agreement concerning representatives of the press relates only to persons who come to this country for *bona fide* full-time newspaper work and not to those who take up such work incidentally.

The Department is ready at any time to designate a group of its officials to meet with U. N. officials to recommend to them a drastic revision of the U. N. system of accreditation of alien journalists. It is hoped that a meeting can be arranged at the earliest opportunity to discuss various phases of the relationships existing between this Government and United Nations.

Fourth Meeting of Preparatory Commission for IRO

ARTICLE BY GEORGE L. WARREN

The Preparatory Commission for the International Refugee Organization (PCIRO) met for the fourth time at Geneva, Switzerland, on October 21, 1947. It had, on July 1, 1947, assumed operating responsibilities on behalf of the International Refugee Organization for the care, repatriation, and resettlement of displaced persons.¹ The purpose of this session was, therefore, to consider the report of the Executive Secretary on the activities of the Preparatory Commission since July 1 and the status of adherences to the Iro Constitution.

Budget Discussions

The chief problem confronting the Commission was the apparent inadequacy of funds for resettlement—the only available solution for the majority of refugees remaining in the assembly centers. Analysis of the budget showed that \$80,000,000 of the total 1947-48 budget of \$115,645,000 was set aside for the care and maintenance of displaced persons as compared with approximately \$14,840,000 for resettlement. The Executive Secretary reported that 660,000 refugees had been taken under care and maintenance, and that 50,000 to 60,000 in-camp displaced persons remained to be taken over from the occupying authorities. The Executive Secretary presented a new budget for 1947-48 to the Commission, approximately \$14,000,000 in excess of the budget adopted in May, and requested that government members consider additional contributions to meet the expanded budget. Practically all members of the Commission reported, however, that they were not in a position to make additional contributions to the IRO, and the Preparatory Commission decided that in order to avoid a deficit in operations the budget for the fiscal year July 1, 1947, through June 30, 1948, should remain at \$115,645,000, the anticipated income for the year.

Eligibility Provisions for Care and Maintenance and Resettlement

The Executive Secretary also proposed that the Commission give serious consideration to the

settling of a date, such as January 1 or July 1, 1948, after which displaced persons eligible for care under the constitution of IRO would not be accepted for care. This proposal was in line with two "freeze orders" which had already been issued by the administration, one restricting intake of new cases to those suffering extreme hardship and the other restricting resettlement activities solely to in-camp displaced persons. The restriction of resettlement services to in-camp displaced persons was rejected by the Commission, which took the view that this policy would penalize refugees who have become self-supporting but who require PCIRO assistance in finding new homes, and the Executive Secretary was instructed to cancel the administrative order. With respect to the "freeze order" restricting the number of displaced persons to be accepted for care, the Executive Secretary declared that it had been adopted with extreme reluctance for overwhelming reasons of a purely budgetary nature. The Preparatory Commission requested the Executive Secretary to interpret the hardship exception as liberally as possible and to report further to the Commission at its next meeting.

International Conference on Resettlement

The Executive Secretary proposed that the members of the United Nations be called upon to implement the United Nations Assembly Resolution of December 15, 1946, which urged each member to take its fair share of displaced persons. A detailed discussion on the calling of an international conference to determine specific numbers of refugees which receiving governments might agree to accept demonstrated the desirability of coordinating such plans with the International Labor Office and the Economic Committee for Europe and the wisdom of consulting governments as to the time,

¹ For the report on the Third Meeting of the Preparatory Commission for IRO, see BULLETIN of Sept. 28, 1947, p. 638.

place, sponsorship, and specific objectives of such a conference. The Executive Secretary was consequently instructed to consult governments and international organizations concerning these matters and to report to the next meeting of the Commission.

Assistance to Refugees in France

The French Delegation introduced a draft resolution to organize a program of assistance for the several thousand refugees now living in France who were refugees before the outbreak of the second World War, for reasons of race, religion, or political opinion. Included in this group are political refugees from Spain and refugees from Nazi persecution as well as the "Nansen" refugees of Russian and Armenian origin. The Preparatory Commission directed the Executive Secretary to undertake a more adequate program of assistance for needy persons in these categories as soon as possible.

International Tracing Service

The Commission recognized the importance of establishing a single unified international tracing service for displaced persons; this would coordinate all the separate tracing services now in existence. The Executive Secretary was therefore directed to invite all interested governments, whether or not members of the Preparatory Commission, as well as voluntary societies engaged in tracing persons, to relate their tracing activities to the work of the International Tracing Service whose functions will include mass tracing activities and the tracing of children.

International Travel Document

Large numbers of refugees and displaced persons are without travel documents of any kind. The Preparatory Commission discussed the advantages offered by an internationally valid travel document similar to the Nansen passport and instructed the Executive Secretary to insure that persons within the mandate of the organization be provided with identity papers and travel documents without which the formalities of travel prerequisite to resettlement cannot be completed.

Recognition of the Work of Voluntary Organizations

The Preparatory Commission took special note of the valuable work which was being carried for-

ward by voluntary organizations, on behalf of displaced persons and requested the Executive Secretary to intensify liaison work with these agencies so that their work may be more closely integrated with that of PCIRO.

Other Items Discussed

The Commission also considered reports on reparations payments, public information, and progress on the establishment of a semi-judicial machinery to determine the eligibility of displaced persons.

During the meeting of the Commission the adherence of the Dominican Republic to the Constitution of Iro, as the eleventh full member was reported. Belgium also promised early ratification.

The Commission recessed on November 1, 1947, to reconvene again on January 20, 1948, as the Fifth Part of the First Plenary Session of PCIRO.

U.S. Delegation to Provisional Frequency Board of the International Telecommunication Union

[Released to the press December 26]

The Department of State announced on December 26 that the President has approved the composition of the United States Delegation to the Provisional Frequency Board of the International Telecommunication Union which is scheduled to convene at Geneva, Switzerland, on January 15, 1948. It is expected to continue its work for approximately two years. The Delegation is as follows:

Representative and Chairman

Ray C. Wakefield, former Commissioner, Federal Communications Commission

Advisers

Gordon L. Caswell, Capt., U.S.N., Assistant Chief of Naval Communications for Frequencies, Department of the Navy

Randolph V. Fite, Lt. Col., U.S.A., Specialist assigned to the Department of State

Carl W. Loeber, Chief, Radio Section, Common Carrier Division, Engineering Department, Federal Communications Commission

Lawton S. F. Meaker, Radio Engineer, Air Communications Office, Department of the Air Force

Newbern Smith, Assistant Chief, Central Radio Propagation Laboratory, National Bureau of Standards, Department of Commerce
 Nathaniel White, Chief, Frequency and Call Sign Section, Communications Liaison Branch, Office of the Chief Signal Officer, Department of the Army

Administrative Assistant

Helen S. Norman, Department of State

In addition, the following representatives of the telecommunication industry will serve with the Delegation:

- F. C. Alexander, Mackay Radio and Telegraph, Inc., New York City
- R. D. Campbell, American Telephone and Telegraph Company, New York City
- H. H. Edwards, RCA Communications, Inc., RCA Laboratories Division, Princeton, N. J.
- C. E. Pfautz, RCA Communications, Inc., New York City
- W. E. Weaver, Aeronautical Radio, Inc., Washington

The Provisional Frequency Board is an international body formed under agreements made at the Atlantic City International Radio Conference of 1947. The Board was established to prepare a proposed international frequency list for presentation to a special administrative conference of the International Telecommunication Union, tentatively scheduled to be held in 1949. In accomplishing this work the Board will examine world requirements for radio frequencies with a view to reassigning them on the basis of good engineering practices and in conformity with the radio-frequency allocation table drawn up at the Atlantic City conference. Any country which is a member of the International Telecommunication Union may participate in the work of the Provisional Frequency Board.

U.S. Delegation to Fifth Session of Interim Commission of WHO

[Released to the press December 23]

The Department of State announced on December 23 the composition of the American Delegation to the Fifth Session of the Interim Commission of the World Health Organization (WHO), which is scheduled to be held at Geneva, Switzerland, January 22–February 7, 1948, and to the preliminary committee meetings which are scheduled to be held January 16–21, 1948. The Delegation is as follows:

Chairman

Dr. H. van Zile Hyde, Senior Surgeon, U.S. Public Health Service; Assistant Chief, Health Branch, Division of International Labor, Social and Health Affairs, Department of State; and alternate U.S. representative on the Interim Commission of the World Health Organization

Advisers

Dr. Martha Elliott, President, American Public Health Association; and Associate Director, Children's Bureau, Federal Security Agency

Dr. Morton Kramer, Chief, Research Branch, Office of International Health Relations, U.S. Public Health Service

John Tomlinson, Assistant Chief, Division of International Organization Affairs, Department of State

The Interim Commission of the World Health Organization, set up at the International Health Conference at New York in July 1946, has met four times: at New York in July 1946, and at Geneva in November 1946, March and April 1947, and August and September 1947. The purpose of the Commission meetings is to consider urgent health problems arising during the period prior to the establishment of the World Health Organization and to formulate plans for setting up the permanent organization.

The American representative on the Interim Commission of the World Health Organization is Dr. Thomas Parran, Surgeon General, U.S. Public Health Service.

FOREIGN AID AND RECONSTRUCTION

Providing for the Administration of the Foreign Aid Act of 1947¹

By virtue of the authority vested in me by the Constitution and statutes of the United States, particularly the Foreign Aid Act of 1947, and as President of the United States, it is hereby ordered, in the interest of the internal management of the Government, as follows:

1. The Secretary of State is hereby authorized and directed:

(a) To perform the functions and exercise the powers and authority vested in the President by the Foreign Aid Act of 1947 (hereinafter referred to as the Act), exclusive of sections 11 (b) and 11 (d) thereof:

Provided that—

(1) In designating, under section 3 of the Act, the existing departments, agencies, or independent establishments of the Government through which certain functions, powers, and authority under the Act shall be performed or exercised, the Secretary shall act with the concurrence of the department, agency, or establishment concerned in each case.

(2) In promulgating, under section 4 of the Act, any regulations controlling the purchase or procurement of commodities, and in promulgating, under section 10 of the Act, any rules and regulations necessary and proper to carry out any of the provisions of the Act, the Secretary shall, to the extent that any such rule or regulation affects the operations of any agency, establishment, or department other than the Department of State, act with the concurrence of the agency, establishment, or department concerned in each case.

(3) In making the determinations, required under paragraphs 2 and 3 of section 4 of the Act, whether commodities to be purchased or procured under the Act are in short supply in the United States, the Secretary of State shall act on the advice of the heads of the appropriate departments, agencies or establishments.

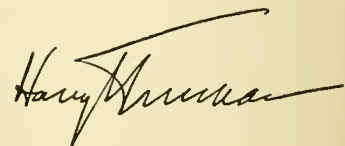
(4) In making the determinations required

under subsection (e) of section 11 of the Act, whether a commodity required by any agency of the Government under any price support program is in excess of domestic requirements, the Secretary of State shall act on the advice of the Secretary of Agriculture; and such determinations shall be restricted to those necessary in connection with aid to the recipient countries, as defined in the Act.

(b) To take such other action, not inconsistent with the Act and this order, as may be necessary to provide aid in accordance with the provisions of the Act, including the making of provisions for such personnel, supplies, facilities, and services as shall be necessary to carry out the provisions of this order, and the making of such arrangements with other departments, agencies and independent establishments of the Government and with other countries and international organizations as may be necessary and proper for carrying out the provisions and accomplishing the purposes of the Act.

2. The field administrator referred to in section 10 of the Act, in exercising his responsibility for administering in the recipient countries the program of assistance provided for in the Act, shall act under the guidance and in accordance with the instructions of the Secretary of State.

3. All funds appropriated to carry out the provisions of the Act by the Third Supplemental Appropriation Act, 1948 (such funds being in the amount of \$522,000,000), are hereby transferred to the Department of State, to be administered in accordance with the provisions of the Act (as implemented by this order) and of the said Appropriation Act.



THE WHITE HOUSE
December 26, 1947.

¹ Ex. Or. 9914 (12 *Federal Register* 8867).

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

Adjourned During Month of December		1947
ICAO (International Civil Aviation Organization): Second Session of Council.	Montreal	Sept. 2-Dec. 12
NARBA (North American Regional Broadcasting Agreement): Meeting of Technicians.	Habana	Nov. 1-Dec. 6
UNESCO (United Nations Educational, Scientific and Cultural Organization): Second Session of General Conference.	Mexico City	Nov. 6-Dec. 3
CFM (Council of Foreign Ministers): Meeting of Deputies for Germany	London	Nov. 6-Dec. 15
Fifth Session	London	Nov. 25-Dec. 15
United Nations:		
Ecosoc (Economic and Social Council):		
Subcommission on Employment and Economic Stability	Lake Success	Nov. 17-Dec. 9
Subcommission on Economic Development	Lake Success	Nov. 17-Dec. 16
Subcommission on Protection of Minorities and Prevention of Discrimination.	Geneva	Nov. 24-Dec. 6
Human Rights Commission: Second Session	Geneva	Dec. 1-Dec. 18
Trusteeship Council: Second Session	Lake Success	Nov. 20-Dec. 16
ECAFE (Economic Commission for Asia and the Far East)	Baguio, Philippines	Nov. 24-Dec. 6
Fifth Meeting of Inter-American Bar Association	Lima	Nov. 25-Dec. 8
ICEF (International Children's Emergency Fund): Executive Board .	Lake Success	Dec. 2-3
Preliminary Discussions on Treatment of German Trade-Mark Rights .	London	Dec. 2-
ILO (International Labor Organization):		
Joint Maritime Commission	Geneva	Dec. 2-6
103d Session of Governing Body	Geneva	Dec. 11-15
Fifth Meeting of Caribbean Commission	Trinidad	Dec. 8-13
International Wheat Council: 17th Session	Washington	Dec. 8-
In Session as of December 31, 1947		1946
Far Eastern Commission	Washington	Feb. 26-
United Nations:		
Security Council	Lake Success	Mar. 25-
Military Staff Committee	Lake Success	Mar. 25-
Committee on Atomic Energy	Lake Success	June 14-
		1947
Commission on Conventional Armaments	Lake Success	Mar. 24-
Security Council's Good Offices Committee on Indonesia	Indonesian territory	Oct. 20-
Trade and Employment Conference	Habana	Nov. 21-
General Assembly's Special Balkan Committee	Salonika	Nov. 21-
		1946
German External Property Negotiations (Safehaven):		
With Portugal	Lisbon	Sept. 3-
With Spain	Madrid	Nov. 12-
Inter-Allied Trade Board for Japan	Washington	Oct. 24-
CFM (Council of Foreign Ministers):		1947
Meeting of Deputies for Italian Colonial Problems	London	Oct. 3-
Commission of Investigation to Former Italian Colonies	Former Italian Colonies	Nov. 8-

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

Scheduled for January–March 1948		1948
Third Pan American Congress of Ophthalmology	Habana	Jan. 4–10
United Nations:		
Interim Committee of the General Assembly	Lake Success	Jan. 5–
Ecosoc (Economic and Social Council):		
Commission on the Status of Women	Lake Success	Jan. 5–16
Sixth Session	Lake Success	Feb. 2–
Subcommission on Economic Development	Lake Success	Mar. 8–
Subcommission on Employment and Economic Stability	Lake Success	Mar. 8–
World Conference on Freedom of Information	Geneva	Mar. 22–
Social Commission: Third Session	Lake Success	Mar. 30–
ECE (Economic Commission for Europe): Third Session	Geneva	Mar. 31– ²
Meeting of the Inter-American Coffee Board	Washington	Jan. 5–
Ninth Pan American Child Congress	Caracas	Jan. 5–10
ICAO (International Civil Aviation Organization):		
Statistics Division: First Session	Montreal	Jan. 13–
Aeronautical Maps and Charts Division	Brussels	Mar. 8–
Airline Operating Practices Division	Montreal	March
Provisional Frequency Board	Geneva	Jan. 15–
Who (World Health Organization):		
Committee on Administration and Finance	Geneva	Jan. 19–
Fifth Session of Interim Commission	Geneva	Jan. 22–
Expert Committee on Tuberculosis	Geneva	Feb. 17–
Iro (International Refugee Organization): Fifth Part of First Session of Preparatory Commission.	Geneva	Jan. 20–
International Telecommunication Union: Meeting of Administrative Council.	Geneva	Jan. 20–
Meeting of Special Committee to Make Recommendations for the Coordination of Safety Activities in Fields of Aviation, Meteorology, Shipping and Telecommunications.	London	Jan. 27–
American International Institute for the Protection of Childhood: Meeting of International Council.	Caracas	January
IUBS (International Union of Biological Sciences): Executive Committee.	Geneva	Feb. 2–3
FAO (Food and Agriculture Organization):		
Regional Meeting of Technical Nutritionists	Baguio	Feb. 9–15
Regional Meeting to Consider Creation of Councils for Study of the Sea.	Baguio	Feb. 9–15
Rice Meeting	Southeast Asia	Feb. 16–28
Second Meeting of Council	Washington	Mar. 18–31
Sixth Pan American Railway Congress	Habana	Feb. 28–
Praha International Spring Fair	Praha	Mar. 12–21
First Meeting of Planning Committee on High Frequency Broadcasting.	Geneva	Mar. 22–
Ninth International Conference of American States	Bogotá	Mar. 30–

² Tentative.

Facilitation of International Inland Transport in Europe

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press December 24]

One of the most progressive steps in the advancement and facilitation of international inland transport in Europe since the end of the war was developed at the December meeting of the Inland Transport Committee of the Economic Commission for Europe in Geneva.

Eight European governments together with the three western zones of Germany have agreed to grant or maintain freedom of operation for six months for highway trucks engaged in transit movements through any of the following participating countries: the three western zones of Germany; France; the Netherlands; Sweden; Switzerland; Italy; Denmark; and Czechoslovakia. This means, for example, that it will now be possible for trucks from Italy, en route to the Netherlands, to pass through Switzerland, France, and western Germany without transferring their loads to locally operated carriers.

The three German zones, Denmark, the Netherlands, Sweden, and Switzerland also agreed to grant or maintain freedom of movement for all other international transport of goods by highways for a six-month period. Belgium, Czechoslovakia, France, and Italy agreed to the most liberal application of their present systems of authorization. Adherence to this accord permits delivery of goods by highway transport from the factory or farm in one country direct to the consumer in another.

The only restrictions connected with these two agreements are:

(a) The road services of countries and zones granting such facilities shall enjoy reciprocal facilities in the beneficiary country;

(b) The carriers shall conform to existing laws and regulations of a technical or administrative character now in force.

Significance is attached to these agreements as evidence of the desire of European countries to

promote economic cooperation among themselves. Increased use of highway transport will help relieve the presently overburdened continental railroads.

Action was also taken by the Inland Transport Committee to have custom offices reduce customs formalities and delays at frontiers.

The Committee recognized the urgent importance of obtaining the fullest utilization of available road transport, particularly during the next six months, of conserving fuel, tires, vehicles, and materials for road maintenance, and of reducing the burden of transport costs on commodity prices. It recommended that participating governments take all practical steps to reduce the ratio of empty loads to revenue loads, and that governments and international organizations should notify the Secretariat periodically of the capacity of vehicles utilized and the load actually carried in both directions over the principal international routes.

Consideration will be given to adopting a long-range program for the facilitation of the international movement of highway transport at a meeting in Geneva in January. Continuation of certain aspects of the present short-term program will also be covered in the January meeting.

Agreement With Burma on Educational Exchange

[Released to the press December 22]

An agreement putting into operation the program of international educational exchanges authorized by the Fulbright act (Public Law 584, 79th Congress) was signed in Rangoon on December 19 between the Minister of Foreign Affairs, U Tin Tut, on behalf of the Government of Burma, and R. Austin Aely, Chargé d'Affaires ad interim of the American Embassy, on behalf of the Government of the United States. This is the Re-

public of Burma's first agreement with any foreign country to be signed in Burma.

This agreement establishes the United States Educational Foundation in Burma to administer certain funds resulting from the sale of surplus property to Burma. The Fulbright act, which amends the Surplus Property Act of 1944, is predicated on a desire to cement international understanding and good-will by developing interchanges of students, specialists, and scholars on an unprecedented scale, and on the knowledge that many countries are not able to make complete payment for purchases of these supplies in United States dollars. It provides that partial payment may be made in local currencies which will then be used by the United States for educational purposes.

The present agreement places at the disposal of the Government of the United States the equivalent in Burmese national currency of \$200,000 a year until the equivalent of 3 million dollars in United States dollars has been deposited for such activities. These include the financing of "studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Burma, or of the citizens of Burma in United States schools and institutions of higher learning located outside the continental

United States . . . including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or furnishing transportation for citizens of Burma who desire to attend United States schools and institutions of higher learning in the continental United States . . . whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions".

The Foundation will have an eight-man Board of Directors under the chairmanship of Frederick L. Jochem, Public Affairs Officer of the American Embassy in Rangoon. Its first meeting is scheduled in Rangoon on December 23. Tin Aung, U Cho, and Sao Sai Mong have been nominated by the Government of Burma and appointed by the American Embassy as Burmese Representatives on the Board. Other members will be J. Russell Andrus of the American Embassy, Martin P. Detels, Jr., of the American Embassy, and two American educators resident in Burma, as yet to be appointed.

Now that the Foundations in Burma and China have been established, information will be made public in the near future as to where and how United States citizens can apply for grants.¹

Cuba-U.S. Tariff Concessions To Be Effective

[Released to the press December 22]

The Department of State announced on December 22 that Cuba and the United States will each make provisionally effective on January 1, 1948, the tariff concessions of principal interest to the other and will on that date generally apply the provisions of the exclusive agreement signed by the two countries supplementary to the general agreement on tariffs and trade, which was signed at Geneva on October 30, 1947, by 23 countries, including Cuba and the United States.

Cuba signed on December 17, 1947, at Lake Success the protocol of provisional application of the general agreement. Cuba is thus the first country

to sign the protocol since it was signed by the original group of countries, Australia, Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom, and the United States prior to November 15, 1947.

Application by the United States of the provisions of the exclusive agreement with Cuba will be effected by presidential proclamation in the usual manner in accordance with the Trade Agreements Act.

The new provisions for trade between the United States and Cuba represent another milestone in the mutually beneficial commercial relations which have existed for many years between our two countries.

A copy of the text of the exclusive agreement follows:

¹ For agreement with China see BULLETIN of Nov. 23, 1947, p. 1905.

EXCLUSIVE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CUBA SUPPLEMENTARY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Governments of the United States of America and the Republic of Cuba,

Having participated in the framing of a General Agreement on Tariffs and Trade, hereinafter referred to as the General Agreement, and a Protocol of Provisional Application, the texts of which have been authenticated by the Final Act adopted at the conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, signed this day,

Hereby agree as follows:

1. The Convention of Commercial Reciprocity between the United States of America and the Republic of Cuba signed December 11, 1902, and the Reciprocal Trade Agreement between the United States of America and the Republic of Cuba signed August 24, 1934, with its accompanying exchange of notes, as amended by the supplementary trade agreement signed December 18, 1939, with its accompanying protocol and exchange of notes, and by the supplementary trade agreement signed December 23, 1941, with its accompanying exchange of notes, shall be inoperative for such time as the United States of America and the Republic of Cuba are both contracting parties to the General Agreement as defined in Article XXXII thereof.

2. For such time as the United States of America and the Republic of Cuba are both contracting parties to the General Agreement, the products of either country imported into the other shall be accorded customs treatment as follows:

(a) The provisions of Part II of Schedule IX of the General Agreement shall apply exclusively to products of the United States of America, and the provisions of Part II of Schedule XX of the General Agreement shall apply exclusively to products of the Republic of Cuba.

(b) Products of the United States of America described in Part I, but not in Part II, of Schedule IX of the General Agreement, imported into the Republic of Cuba, and products of the Republic of Cuba described in Part I, but not in Part II, of Schedule XX of the General Agreement, imported into the United States of America, shall be subject to the customs treatment provided for in Part I of the applicable Schedule.

(c) Subject to the principles set forth in Article 17 of the Draft Charter for an International Trade Organization recommended by the Preparatory Committee of the United Nations Conference on Trade and Employment—

(i) any product of the United States of America not described in either Part of Schedule IX of the General Agreement which would have been subject to ordinary customs duty if imported into the Republic of Cuba on April 10, 1947, any temporary or conditional exemption from duty to be disregarded, and which is of a kind which the Government of Cuba shall determine to have been imported into its territory as a product of the United States of America in any quantity during any of the calendar years 1937, 1939, 1944, and 1945, shall be entitled upon importation into the Republic of Cuba to a margin

of preference in the applicable rate of duty equal to the absolute difference between the most-favored-nation rate for the like product existing on April 10, 1947, including any such rate temporarily suspended, and the preferential rate likewise existing on that date in respect of such product of the United States of America; and

(ii) any product of the Republic of Cuba not described in either Part of Schedule XX of the General Agreement, which would have been subject to ordinary customs duty if imported into the United States of America on April 10, 1947, any temporary or conditional exemption from duty to be disregarded, and which is of a kind which the Government of the United States of America shall determine to have been imported into its territory as a product of Cuba in any quantity during any of the calendar years 1937, 1939, 1944, and 1945, shall be entitled upon importation into the United States of America to a margin of preference in the applicable rate of duty equal to the absolute difference between the most-favored-nation rate for the like product existing on April 10, 1947, including any such rate temporarily suspended, and the preferential rate likewise existing on that date in respect of such product of the Republic of Cuba.

(d) Any product of the United States of America or of the Republic of Cuba for which customs treatment is not prescribed above shall be dutiable, when imported into the other country, at the most-favored-nation rate of duty of the importing country for the like product.

(e) Nothing in this Agreement shall require the application to any product of the Republic of Cuba imported into the United States of America of a rate of ordinary customs duty higher than one and one-half times the rate existing in respect of such product on January 1, 1945, any temporary or conditional exemption from duty to be disregarded.

3. The term "most-favored-nation rate" in this Exclusive Supplementary Agreement means the maximum rate which may be, or could have been, applied consistently with the principles set forth in Article I of the General Agreement to a product of a country which is a contracting party to that Agreement.

IN WITNESS WHEREOF the representatives of the Governments of the United States of America and the Republic of Cuba, after having exchanged their full powers, found to be in good and due form, have signed this Exclusive Supplementary Agreement.

DONE in duplicate, in the English and Spanish languages, both texts authentic, at Geneva, this thirtieth day of October, one thousand nine hundred and forty-seven.

For the Government of the United States of America:

WINTHROP G. BROWN

For the Government of the Republic of Cuba:

S. I. CLARK

Termination of Trade Agreement Proclamations

By the President of the United States of America

A PROCLAMATION¹

WHEREAS (1), pursuant to the authority conferred by section 350 (a) of the Tariff Act of 1930, as amended by the act of June 12, 1934 entitled "An Act To amend the Tariff Act of 1930" (48 Stat. 943 and 944, ch. 474) the President of the United States of America entered into the following trade agreements:

(a) With the Belgo-Luxemburg Economic Union on February 27, 1935 (49 Stat. (pt. 2) 3681 to 3716), which trade agreement was proclaimed by the President on April 1, 1935 (49 Stat. (pt. 2) 3680 to 3717),

(b) With the Government of the French Republic on May 6, 1936 (53 Stat. (pt. 3) 2237 to 2290), which trade agreement was proclaimed by the President on May 16, 1936 (53 Stat. (pt. 3) 2236 to 2291), and

(c) With Her Majesty the Queen of the Netherlands on December 20, 1935 (50 Stat. (pt. 2) 1505 to 1557), which trade agreement was proclaimed by the President on December 28, 1935 (50 Stat. (pt. 2) 1504 to 1558) and was the subject of a supplementary proclamation by the President of April 10, 1937 (50 Stat. (pt. 2) 1559);

WHEREAS (2), pursuant to the authority conferred by said section 350 (a), the period within which such authority might be exercised having been extended by the Joint Resolution approved March 1, 1937 (50 Stat. 24, ch. 22), the President entered into the following trade agreements:

(a) With His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada, on November 17, 1938 (53 Stat. (pt. 3) 2350 to 2392), which trade agreement was proclaimed by the President on November 25, 1938 (53 Stat. (pt. 3) 2348 to 2394) and was the subject of a supplementary proclamation by the President of June 17, 1939 (53 Stat. (pt. 3) 2394 and 2395), and

(b) With His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, in respect of the United Kingdom of Great Britain and Northern Ireland, on November 17, 1938 (54 Stat. (pt. 2) 1898 to 1985), which trade agreement was proclaimed by the President on November 25, 1938 (54 Stat. (pt. 2) 1897 to 1986) and was the subject of a supplementary proclamation by the President of December 6, 1939 (54 Stat. (pt. 2) 1987);

WHEREAS (3) the Government of the United States of America has agreed severally with the Governments of Belgium (on behalf of the Belgo-Luxemburg Economic Union), Canada, the French Republic, the Kingdom of the Netherlands, and the United Kingdom of Great Britain and Northern Ireland that the trade agreement with each of said countries which is listed in the 1st or the 2nd recital of this proclamation, except the right of termination on six months' notice of each such trade agreement, shall be inoperative for such time as the United States of America and such other country are both contracting parties to the General Agreement on Tariffs and Trade of October 30, 1947 as defined in article XXXII thereof;

WHEREAS (4), as indicated in the 7th recital of the proclamation by the President of December 16, 1947 with respect to said general agreement, the Governments of the United States of America and of each of the countries named in the 3rd recital of this proclamation will apply the general agreement provisionally on and after January 1, 1948, and the United States of America and each of said countries will then be a contracting party to the general agreement as defined in article XXXII thereof;

AND WHEREAS the final sentence of said section 350 (a) of the Tariff Act of 1930 authorizes the President to terminate in whole or in part the proclamation carrying out any trade agreement entered into under section 350 (a);

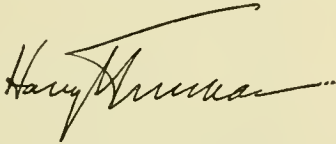
Now, THEREFORE, be it known that I, Harry S. Truman, President of the United States of

¹ Proc. 2763, 12 *Federal Register* 8866.

America, acting under the authority conferred by the said section 350(a) of the Tariff Act of 1930, as amended, do hereby proclaim that each of the proclamations listed in the 1st or the 2nd recitals of this proclamation shall not be in effect after December 31, 1947 except insofar as it relates to the termination on six months' notice of the trade agreement with respect to which it was issued.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-fourth day of December in the year of [SEAL] our Lord nineteen hundred and forty-seven and of the Independence of the United States of America the one hundred and seventy-second.



By the President:

ROBERT A. LOVETT

Acting Secretary of State

Panama Rejects Ratification of Defense-Sites Agreement

[Released to the press December 23]

According to official reports the National Assembly of Panama has rejected the ratification of the defense-sites agreement signed on December 10, 1947, by the Governments of the Republic of Panama and the United States of America. This agreement was reached in accordance with the 1936 treaty of friendship and cooperation providing for joint responsibility of the two countries for the effective protection of the Canal.

Throughout the period of more than 15 months during which negotiations for a defense-sites agreement have taken place, the United States Government has endeavored at all times to share with the Government of Panama its estimates of the minimum defense needs of the Canal. It has been the constant aim of the United States negotiators to consult with the appropriate Panamanian authorities in all frankness with respect to the considerations underlying these estimates which

have provided the basis for the recent defense proposals of this Government.

Substantial and repeated concessions were made during the lengthy negotiations on the agreement in an attempt to reconcile Panamanian desires with the defense requirements of the Canal. The negotiations were concluded on December 10 by the signature of the agreement in terms which were intended to take into account the legitimate interests of both countries.

In accordance with oral statements made to the Panamanian Government in the course of the negotiations, the necessary steps will be taken immediately with a view to evacuation of all sites in the Republic of Panama outside the Canal Zone where United States armed forces are now stationed. This withdrawal will be completed as quickly as possible, consistent with the number of personnel and the amount of matériel involved.

Failure to conclude an agreement will not, of course, affect the normal friendly relations between the two countries.

Visit of Guatemalan Educator

Dr. Carlos Martínez Durán, rector of the University of San Carlos, Guatemala, has arrived in the United States to confer with officials of American universities concerning university organization and administration, in order to aid in planning a university city at the University of San Carlos.

Dr. Martínez Durán is one of a distinguished group of specialists from the other American republics who have been awarded grants by the Department of State under its program for the interchange of professors, specialists, and distinguished leaders between the United States and the other American republics.

THE DEPARTMENT

Departmental Regulations

290.5 Procedure for the Handling and Settlement of Certain Tort Claims: (Effective 11-1-47) This regulation delegates authority to settle claims for personal injury or property damage under the Federal Tort Claims Act (60 Stat. 842; 28 U.S.C. 921) and the Small Claims Act (42 Stat. 1060; 31 U.S.C. 215-217), and claims for property damage under the Act of June 19, 1939 (53 Stat. 841; 22 U.S.C. 277e), and to establish and provide the

exclusive authorization and procedure whereby claims arising from the negligent or wrongful acts or omissions of employees of the Department of State or of the United States Section, International Boundary and Water Commission, United States and Mexico, and claims for property damage not based on negligence and cognizable under the Act of June 19, 1939, may be considered, adjusted, determined, or settled within the Department or the Commission.

I DELEGATION OF AUTHORITY FOR ADJUDICATION AND SETTLEMENT OF CLAIMS. The Legal Adviser is hereby authorized to settle all claims cognizable, as the case may be, under the Federal Tort Claims Act (60 Stat. 842; 28 U.S.C. 921) or the Small Claims Act (42 Stat. 1060; 31 U.S.C. 215-217), arising out of the negligent or wrongful acts or omissions of employees of the Department in accordance with the authority vested in the Secretary pursuant to those Acts, except those claims arising out of the negligent or wrongful acts or omissions of employees of the Commission. The Commissioner is authorized to settle those claims which arise out of the negligent or wrongful acts or omissions of employees of the Commission, and claims for property damage not based on negligence cognizable under the Act of June 19, 1939. The approval or disapproval, in whole or in part, of any claim by the approving authority constitutes final action in the case so far as the Department or the Commission is concerned, and no further review in the Department or in the Commission may be obtained.

II GENERAL PROVISIONS.

A Definitions. As used in this part—

1 The word *Secretary* refers to the Secretary of State.

2 The word *Department* refers to the Department of State, its offices, bureaus, and divisions and its Foreign Service establishments abroad.

3 The word *Commission* refers to the United States Section, International Boundary and Water Commission, United States and Mexico.

4 The word *Legal Adviser* refers to the Legal Adviser of the Department of State, or his designee.

5 The word *Commissioner* refers to the United States Commissioner, International Boundary and Water Commission, United States and Mexico.

6 The word *employee* includes officers or employees of the Department or of the Commission, and persons acting on behalf of the Department or of the Commission in an official capacity, temporarily or permanently in the service of the Department or of the Commission, whether with or without compensation.

7 The words *approving authority* refer to the Legal Adviser or to the Commissioner, as the case may be.

B Action by Claimant.

1 CLAIMS FOR DAMAGE TO, OR LOSS OF, PROPERTY, OR FOR PERSONAL INJURY OR DEATH. Claims for damage to, or loss of, property or for personal injury or death may be presented by the individual or firm sustaining injury or damages in his or its own right, by a duly-authorized agent or legal representative, or by an attorney. The claim, if filed by an agent or legal representative, must

show the title or capacity of the person presenting the claim and must be accompanied by evidence of the appointment of such person as agent, executor, administrator, guardian, or other fiduciary.

2 FORM OF CLAIM. Claims should be submitted by presenting, in duplicate, a statement in writing setting forth the claimant's name and address; the amount of the claim; the detailed facts and circumstances surrounding the accident or incident, indicating the date and the place; the property and persons involved; the nature and extent of the damage, loss, or injury; and the office, bureau, division, or Foreign Service establishment of the Department, or the Commission, which was the cause or occasion thereof, if known. Where damage to property is involved, there should be a statement as to the ownership of the property, whether liens exist thereon, and, if so, the nature of and amount of the lien and the names and addresses of the lien-holders. If the loss is covered by any insurance, there should be a statement thereof; and if, under the terms of the insurance contract, the insurer is subrogated in whole or in part to the claim of the insured, the insurer should be made a party to the claim. The claimant may, if he desires, file a brief with his claim setting forth the law or other arguments in support of his claim. In cases involving several claims arising from a single accident or incident, individual claims should be filed.

3 PLACE OF FILING CLAIM. Claims should be submitted directly to the head of the office, bureau, division, or Foreign Service establishment of the Department, or of the Commission, out of whose activities the accident or incident occurred, if known; or, if not known, to the Legal Adviser, Department of State, Washington 25, D.C.; or United States Commissioner, International Boundary and Water Commission, United States and Mexico, P.O. Box 1859, El Paso, Texas, as the case may be.

4 EVIDENCE TO BE SUBMITTED BY CLAIMANT.

a General. The amount claimed for damage to or loss of property or for personal injury or death should be substantiated by competent evidence. All statements or estimates required to be submitted by the following subparagraphs should, if possible, be by disinterested competent witnesses, and, in the case of property, preferably reputable dealers or persons familiar with the type of property damaged. Such statements and estimates should be certified as just and correct; and, if payment has been made, itemized receipts evidencing such payment should be included.

b Damage to Personal Property. In support of claims for damage to personal property which has been or can be economically repaired, the claimant should submit an itemized receipt if payment has been made or an itemized estimate of the cost of repairs. If the property is not economically repairable, a statement as to depreciation in value should be included; or if the property is lost or destroyed, the value of the property at the time of loss or destruction should be stated, together with the date of acquisition and the purchase price.

c **Personal Injury.** In support of claims for personal injury or death, the claimant should submit a written report by the attending physician, showing the nature and extent of injury, the nature and extent of treatment, the degree of permanent disability, if any, the prognosis, and the period of hospitalization or incapacitation, attaching itemized bills for medical, hospital, or burial expenses actually incurred.

d **Damage to Real Property.** In support of claims for damage to land, trees, buildings, fences, and other improvements, and similar property, the claimant should submit an itemized receipt, if payment has been made, or an itemized signed statement or estimate of the cost of repairs. If the property is not economically repairable, a statement as to its value both before and after the accident should be included. If the damages to improvements can be readily and fairly valued apart from the damage to the land, the damage to such improvements should be stated separately from the damage to land. The value of such improvements at the time of loss or destruction should be stated, as well as the date the improvements were made and the original cost of such improvements.

e **Damage to Crops.** In support of claims for damage to crops, the claimant should submit an itemized signed statement showing the number of acres, or other unit measure, of the crops damaged, the normal yield per unit, the gross amount which would have been realized from such normal yield and an estimate of the costs of cultivating, harvesting, and marketing such crops. If the crop is one which need not be planted each year, the diminution in value of the land beyond the damage to the current year's crop should also be stated.

f **Claims of Subrogees and Lien-holders.** The rights of subrogees or lien-holders will be determined according to the law of the jurisdiction in which the accident or incident occurred.

g **Signatures.** The claim and all other papers requiring the signature of the claimant should be in affidavit form signed by the claimant personally or by a duly-authorized agent or legal representative. The claim should also be signed by the insurance company as one of the claimants, where the claim is covered by insurance in whole or in part and the contract of insurance contains a provision for the subrogation of the insurance company to the rights of the insured, in accordance with paragraph II B 2 hereof. Section 35 (A) of the Criminal Code (18 U.S.C. 80) imposes a fine of not more than \$10,000 and imprisonment of not more than 10 years, or both, for presenting false claims or making false or fraudulent statements or representations in connection with making claims against the Government. A civil penalty or forfeiture of \$2,000 plus double the amount of damages sustained by the United States is provided for presenting false or fraudulent claims (see 31 U.S.C. 231).

C **Approval of Claim.** Claims under paragraph II are approved, or disapproved, in whole or in part, by the Legal Adviser, after transmittal to him, with recommenda-

tions, by the head of the office, bureau, division, or Foreign Service establishment of the Department out of whose activities the accident or incident arose. Claims under paragraph II arising out of the activities of the Commission are approved or disapproved, in whole or in part, by the Commissioner.

D **Acceptance of Settlement by Claimant.** The acceptance of the settlement by the claimant shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of any claim against the Government and against the employee of the Government whose act or omission gave rise to the claim, by reason of the same subject-matter.

III FEDERAL TORT CLAIMS ACT.

A **General.** The Federal Tort Claims Act (60 Stat. 842; 28 U.S.C. 921) conferred upon the head of each Federal agency, or his designee, acting on behalf of the United States, authority to ascertain, adjust, determine, and settle certain claims against the United States for money only, accruing on and after January 1, 1945.

B **Allowable Claims.** Claims are payable by the Department or by the Commission under the Federal Tort Claims Act and paragraph III, on account of damage to or loss of property or on account of personal injury or death, where the total amount of the claim does not exceed \$1,000, caused by the negligent or wrongful act or omission of any employee of the Department or of the Commission, while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant for such damage, loss, injury, or death, in accordance with the law of the place where the act or omission occurred. The Department or the Commission does not have legal authorization to consider administratively claims in excess of \$1,000 which are otherwise cognizable under the Federal Tort Claims Act. The claimant's remedy, if any, in such cases is by suit in the United States District Court for the district wherein the act or omission complained of occurred, including the United States District Courts for the Territories and possessions of the United States.

C **Exclusions.** As provided in section 421 of the Federal Tort Claims Act, claims, among others, not payable under that act and paragraph III include:

1 Any claim based upon an act or omission of an employee of the Government, exercising due care, in the execution of a statute or regulation, whether or not such statute or regulation be valid, or based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government, whether or not the discretion involved be abused.

2 Any claim arising out of the loss, miscarriage, or negligent transmission of letters or postal matter.

3 Any claim arising out of an act or omission of any employee of the Government in administering the provisions of the Trading-with-the-Enemy Act, as amended.

4 Any claim for damages caused by the imposition or establishment of a quarantine by the United States.

5 Any claim arising from injury to vessels, or to the cargo, crew, or passengers of vessels, while passing through the locks of the Panama Canal or while in Canal Zone waters.

6 Any claim arising out of assault, battery, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights.

7 Any claim arising in a foreign country.

D *Application to Claims Not Previously Adjusted.* The provisions of paragraph III shall apply to all claims otherwise within its scope, not heretofore adjusted, including claims formerly payable under provisions of laws and regulations now superseded, arising out of accidents or incidents occurring on or after January 1, 1945. Claims arising out of accidents or incidents occurring prior to January 1, 1945, or claims not cognizable under paragraph III, including, among others, claims arising in foreign countries, will be settled under the provisions of the Small Claims Act, the Act of December 28, 1922 (42 Stat. 1066; 31 U.S.C. 215-217). See paragraph IV. Claims for damage to lands or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of any project constructed or administered through the Commissioner, not based upon the negligence or wrongful act or omission of any employee of the United States while acting within the scope of his office or employment, will be settled under the provisions of the Act of June 19, 1939 (53 Stat. 841; 22 U.S.C. 277e). See paragraph V.

E *Statute of Limitations.* Claims under the Federal Tort Claims Act and under paragraph III must be presented in writing to the Department or to the Commission, as the case may be, within one year after the claim accrued, or by August 2, 1947, whichever is later.

F *Payment of Claims.* When an award is made, the Legal Adviser or the Commissioner, as the case may be, will transmit the file on the case to the appropriate fiscal office for payment out of funds appropriated, or to be appropriated, for the purpose. Claims under the Federal Tort Claims Act shall be paid in accordance with the provisions of General Regulations No. 110, General Accounting Office, February 12, 1947.

G *Withdrawal of Claim.* A claimant may, in accordance with the provisions of section 410 (b) of the Federal Tort Claims Act, withdraw his claim from consideration upon fifteen days' notice in writing to the Legal Adviser or to the Commissioner, as the case may be.

H *Attorneys' Fees.* In accordance with section 422 of the Federal Tort Claims Act, reasonable attorneys' fees may be paid under paragraph III out of, but not in addition to, the amount of the award or settlement. If the award or settlement is \$500 or less, reasonable attorneys' fees, but not in excess of \$50, may be allowed. If the award is \$500 or more, reasonable attorneys' fees, but not in excess of 10 percent of the amount of the award or settlement, may be allowed. Attorneys' fees under this paragraph may be fixed only on written request of either the claimant or his attorney.

I *Questions of Law.* Questions of reasonable care, scope of employment, proximate cause, joint tort-feasors, contributory negligence, negligence *per se* subrogation, the allowance of damages for pain and suffering, and other questions of law will be determined by the law of the place where the accident or incident occurred.

IV SMALL CLAIMS ACT.

A *General.* The Act of December 28, 1922 (42 Stat. 1066; 31 U.S.C. 215-217), the so-called Small Claims Act, authorized the head of each department and establishment to consider, ascertain, adjust, and determine claims of \$1,000 or less for damage to, or loss of, privately owned property caused by the negligence of any officer or employee of the Government acting within the scope of his employment. The Federal Tort Claims Act superseded the Small Claims Act with respect to claims that are allowable under the Federal Tort Claims Act. However, with respect to claims that are not allowable under the Federal Tort Claims Act, for example, claims arising in foreign countries, claims are allowable under the Small Claims Act. The Federal Tort Claims Act specifically exempts from its provisions claims arising in foreign countries. Hence, since exempted under the Federal Tort Claims Act, those claims are considered still allowable under the Small Claims Act.

B *Exclusion.* The following claims are not cognizable under the Small Claims Act and paragraph IV:

1 Claims which are cognizable under the Federal Tort Claims Act.

2 Claims which are cognizable under the Act of June 19, 1939. See paragraph V.

C *Statute of Limitations.* No claim will be considered by the Department or by the Commission under paragraph IV unless presented to it within one year from the date of the accrual of said claim.

D *Payment of Claim.* Claims cognizable under paragraph IV, upon approval, in whole or in part, shall be forwarded to the Bureau of the Budget for inclusion in an appropriation bill. After enactment of the bill by the Congress, the appropriate fiscal office of the Department or of the Commission shall make arrangements for payment.

V ACT OF JUNE 19, 1939.

A *General.* The Act of June 19, 1939 (53 Stat. 841; 22 U.S.C. 277e), provides as follows:

The Secretary of State acting through such officers as he may designate, is further authorized to consider, adjust, and pay from funds appropriated for the project, the construction of which resulted in damages, any claim for damages occurring after March 31, 1937, caused to owners of land or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of any project constructed or administered through the American Commissioner, International Boundary Commission, United States and Mexico, if such claim does not exceed \$1,000 and has been filed with the American Commissioner within one

year after the damage is alleged to have occurred, and when in the opinion of the American Commissioner such claim is substantiated by a report of a board appointed by the said Commissioner.

thereupon be transmitted by the Commissioner through the Department to the General Accounting Office for settlement.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The London Meeting of the Council of Foreign Ministers, Nov. 25–Dec. 16, 1947. 10 pp.

Report on the result of the recent meeting of the Council of Foreign Ministers in London by George C. Marshall, Secretary of State. Broadcast from Washington, D. C., on December 19, 1947.

Air Transport Services. Treaties and Other International Acts Series 1587. Pub. 2764. 29 pp. 10¢.

Agreement Between the U.S. and Peru, and Accompanying Notes—Signed at Lima December 27, 1946; entered into force December 27, 1946; and agreement effected by exchange of notes signed at Washington May 6 and 8, and July 21, 1947; entered into force July 21, 1947.

Haitian Finances. Treaties and Other International Acts Series 1643. Pub. 2945. 5 pp. 5¢.

Agreement Between the U.S. and Haiti—Effected by exchange of notes signed at Port-au-Prince July 4, 1947; entered into force July 4, 1947.

Passport Visa Fees. Treaties and Other International Acts Series 1644. Pub. 2946. 2 pp. 5¢.

Agreement Between the U.S. and Norway—Effected by exchange of notes signed at Washington July 7 and 29, 1947; entered into force July 29, 1947; effective August 1, 1947.

National Commission News, January 1, 1948. Pub. 3003. 10 pp. 10¢ a copy; \$1 a year.

Published monthly for the United States National Commission for the United Nations Educational, Scientific and Cultural Organization.

This Act covers only claims for damages to lands or other private property and not claims for personal injuries. (Decision Comptroller General B-36817, September 28, 1943, unpublished.) To the extent that claims for damages to lands or other private property are based upon negligence, the provisions of this Act have been superseded by the Federal Tort Claims Act (26 Comp. Gen. 452, Decision B-61757, January 6, 1947). Hence claims cognizable under the Act of June 19, 1939, are limited to claims for damages accruing after March 31, 1937—

1 For damages to lands or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of any project constructed or administered through the Commissioner:

2 Where such claims do not exceed \$1,000; and

3 Which claims are not based upon the negligence of any officer or employee of the Government acting within the scope of his employment.

B Exclusion. Claims which are cognizable under the Federal Tort Claims Act or the Small Claims Act are not cognizable under the Act of June 19, 1939 and paragraph V.

C Statute of Limitations. No claim will be considered by the Commissioner under paragraph V unless filed with him within one year after the damage is alleged to have occurred.

D Action by Claimant. The provisions of paragraph II B shall be applicable to claims for damages cognizable under paragraph V, except those provisions relating to personal injury or death.

E Payment of Claim. Upon receipt of a claim by the Commissioner, the Commissioner will appoint a board to investigate the facts surrounding the claim and to make its report and recommendations to the Commissioner. The Commissioner will thereupon approve the claim in whole or in part, or disapprove the claim. If the claim is approved in whole or in part, and claimant accepts the settlement tendered by the Commissioner, the claimant will execute a release of his claim in the form prescribed by the Commissioner and will execute a voucher in the sum approved by the Commissioner. The file on the case, including the claim, the findings of the board, the approval of the Commissioner, the release, and the voucher, will

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Contributors

Ely Maurer and *James Simsarian*, authors of the article on the agreement relating to conflicting claims to German enemy assets, are respectively an Assistant to the Legal Adviser, Department of State, and Special Assistant to the U. S. Delegate to the Inter-Allied Reparation Agency.

George L. Warren, author of the article on the fourth meeting of the Preparatory Commission for Iro, is Adviser on Refugees and Displaced Persons for the Assistant Secretary of State for Occupied Areas. Mr. Warren was the American Delegate at the meeting of the Preparatory Commission.

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The Department of State

bulletin

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The Department of State bulletin

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Habana Meeting of U.N. Conference on Trade and Employment

STATEMENT ON QUANTITATIVE RESTRICTIONS BY VICE CHAIRMAN OF U. S. DELEGATION¹

The issue now before us, Mr. Chairman, must will be forthcoming if trade is rigorously re- be narrowly defined.

It is *not* whether quantitative restrictions are to be abolished, immediately and completely. That there must be exceptions to the rule against QR everybody is agreed.

It is *not* whether undeveloped countries should be developed. On this question there has never been any dispute.

It is *not even* whether QR may be used for development. Under the present draft of Article 13 it may.

The issue, simply and solely, is whether QR for protection may be freely used by everybody all the time or may only be used where and when there is no superior alternative.

The United States has reluctantly come to the position that QR may be used for purely protective purposes in exceptional cases with appropriate safeguards. It cannot agree, however, to the proposal that is contained in certain amendments that are now before this Committee. Under these amendments, any country would be completely free, at any time, to impose on the imports of any product from any other country any quantitative limits that it might desire. There is only one way in which this proposal can be described: it is a prescription for economic anarchy.

If QR is to be fastened on the commerce of the world without let or hindrance, the restrictionism of the fifties and the sixties will make the restrictionism of the thirties look like absolute free

trade. If this is to be the outcome of our negotiations here, I say that all our hopes for expanding trade, for raising standards of living, for promoting economic development, for achieving economic peace are doomed to failure.

I must confess to a total inability to follow the logic of those who have argued here that we can expand trade by forbidding exporters to sell and importers to buy. I find it equally difficult to understand how we can raise standards of living by making goods so scarce that people can't get them and so expensive that they can't afford to buy them.

So, too, with economic development. A reading of the verbatim record of these proceedings might lead one to the conclusion that an undeveloped country could achieve a rapid and far-reaching industrialization simply and solely by imposing quantitative restrictions on its trade. Nothing could be further from the truth. Industrialization requires capital. It requires equipment. It requires technology. It requires know-how. And one wonders to what extent any of these requisites will be forthcoming if trade is rigorously restrained. For investors will not be attracted to new industries unless they promise to succeed. New industries will not promise to succeed unless they have access to adequate markets. And they will not have access to adequate markets if every-

¹Made on Dec. 23, 1947, and released to the press in Habana on the same date. Clair Wilcox, Director of the Office of International Trade Policy, Department of State, is Vice Chairman of the U. S. Delegation.

body, everywhere, resorts to QR. QR does not open markets; it closes them. That is what it is for. And when it spreads, through example and retaliation, to the point where every little country and every undeveloped country on earth is isolated from every other by a tight wall of prohibitions, the chances of vigorous industrial development will finally have been destroyed.

One way for a man to grow strong is to observe the proper diet, take plenty of sleep, and get plenty of exercise. Another way to present a superficial appearance of animation is to take an injection of a powerful drug. The former is slower and harder, but it lasts longer. The latter is quicker, but it is transitory, habit-forming, and may end in stupefaction. QR is a shot in the arm. A moderate dose may put an industry on its feet. An overdose can lay a whole economy flat on its back.

Several delegates, in the course of this debate, have referred to QR as a "weapon" and have said that the "weapon" is one of which they must not be deprived. The metaphor is all too appropriate. For a weapon is something that one uses in a war, and economic war will be the normal state of trade relations when everybody resorts to QR. What we are dealing with here—and we might as well recognize it—is the psychology of conflict, not the psychology of peace. A weapon is something that someone uses to hurt someone else. And I think it might be well for us to consider, if we place this weapon in the hands of every nation, big and little, strong and weak, and turn them all loose on the field of battle, who is going to be hurt and how much.

It should be clear that countries differ markedly in their ability to adapt themselves to a situation which closes the markets of the world to their products. A small, highly industrialized country depends upon its exports of manufactured goods to purchase the very food that is required to maintain the life of its people. A small, relatively undeveloped country, specializing in the production of one or two commodities—minerals or food-stuffs—depends upon foreign markets for the sales that enable it to acquire capital equipment and manufactured consumers' goods. Even a large country, if it specializes in a few export crops, may find its whole economic life seriously affected by its ability—or inability—to sell abroad. For any of these countries the general imposition of QR

around the world might spell disaster—unemployment, bankruptcy, and wide-spread distress, with all of the social and political consequences that they entail. If however, a country were large, if it had a great diversity of resources, if it had an extensive domestic market, and if it depended only to a minor extent on foreign trade, this would not be the case. For such a country, the general imposition of QR around the world would be annoying and inconvenient. But it would not be disastrous. The moral of this is plain. If we are to arm the nations of the world with this "weapon" of QR and send them into economic battle, the advantage will *not* be with the smaller and the weaker adversaries. It will be with the big and the strong. And this, I submit, is why every small country and every weak country should insist that this "weapon" be outlawed or, at least, if it cannot be outlawed, that its edge be blunted and its use controlled.

The debate in this Committee seems to have proceeded on the assumption that the smaller countries and the weaker countries will be accorded complete freedom to employ QR while the larger and the stronger ones will voluntarily forego its use. This, I fear, is the sheerest phantasy. One amendment would confine QR to "countries that have not reached an advanced stage of industrialization *as a whole*". Another would confine it to "countries in an early stage of industrial development". Just what do these terms mean? How would they be defined? How, for instance, would they apply to the United States? Certainly there are 12 of our 48 States that have reached an advanced stage of industrialization. But the "whole" of our Union includes 36 other States, not to mention the Territory of Alaska, which is an undeveloped country in itself. I invite the authors of these amendments to drive through the States that lie south of the Potomac and east of the Mississippi, to roam the whole area that lies between the Mississippi and the Rockies from Canada to Mexico, to fly over the vast reaches of Alaska, and then to report on the extent to which the industrialization of these areas is really "advanced". It would be instructive, too, to interview the Governors of these 36 States and the Chambers of Commerce in their cities to ask them whether they consider their stage of industrial development to be "early" or late. If QR for protection is open to one it will be open to all, including

the United States. And nobody is likely to introduce a form of words that would prevent it.

My Government offered, in the Proposals which it published in December of 1945, to enter into an international agreement under which it would surrender its freedom to use QR for protective purposes. It maintained this offer at London. It maintained it at Geneva. It will maintain it at Havana. If this offer is accepted, no nation need fear that the United States will ever employ QR in ways that would be harmful to them. But if the offer is rejected, what then?

If the offer were rejected, I assure you that my Government would do everything within its power to prevent the general employment of QR by the United States. But I cannot assure you that it would succeed. For as QR spreads around the world, and as one group after another in the United States came to feel its effects, there would be angry reactions and insistent demands for retaliation. If QR were everywhere accepted in principle and widely employed in practice, it is less than likely that these demands could be resisted. If the United States, however reluctantly and however tardily, were to join in the procession that marched behind the banner of QR, how would this affect the welfare of the other countries of the world?

Let us take the case of Country A. Country A is a *small* country. It is highly industrialized. It specializes in the manufacture of semi-durable consumers' goods. It relies upon its export of this goods to pay for a large part of the goods which it imports. It finds a major part of its market for this goods in the United States. But this article is also manufactured in the United States. And our own factories could be so expanded as to meet *all* of the requirements of our market. Suppose that we finally were to yield to persistent pressures to impose upon imports of this article a quota which would cut our imports to a half or a third of their present size. Who would suffer most from this action—the big country or the little country? Would the unfettered use of QR *really* serve the interests of this little country? I think not.

Take the case of Country B. Country B is also a *small* country. It produces a basic raw material. It ships this material into our market in large quantities. Its whole economy is heavily dependent on these sales. It finds in them a source

of dollars that it can use in developing its industries and raising its standard of living. But we have developed, in the United States, a synthetic substitute for this raw material. By expanding our productive capacity we could satisfy the entire demand of our domestic market. Suppose that we yield to pressure to increase our output of the synthetic product by imposing stringent quotas on our imports of the natural product. Who would suffer most from this action—the big country or the little country? Would the interests of the little country *really* be served by untrammelled freedom to use QR? I think not.

Take the case of Country C. Country C is a small country. It sells us, in large quantity, a type of foodstuff that is closely competitive with foodstuffs produced in many of our agricultural states. Our own farmers, with little effort, could completely satisfy our appetites for this element in our diets. Suppose that we were to yield to pressure to give them a monopoly or a near-monopoly of our market by cutting down our imports of the foreign food. Who would suffer—the big country or the little country? Would the welfare of Country C *really* be advanced by the general application of QR? I think not.

Take the cases of Countries D and E. These are large countries, but they are, as yet, relatively undeveloped. Both of them sell us, in quantity, raw materials which constitute a large part of their export trade. In the case of Country D, we produce the same material in smaller quantity. In the case of Country E, we produce a substitute that will serve the same purpose at a slightly higher cost. Suppose that we impose quotas on these imports and expand production at home. Who would suffer most—the developed country or the undeveloped countries? Would the exercise of freedom to use QR *really* be helpful to Countries D and E? I think not.

Mr. Chairman, these are not imaginary cases. In every one of these cases there has been agitation for the use of QR in the United States. In every one of them, its employment would have been harmful, if not disastrous, to the country concerned. And in every one of them, the delegate who represents that country in this Committee has spoken in glowing terms of the blessings of QR.

Let me carry the argument a step further. Country F produces a raw material that it does not

sell to the United States. But the *price* of that material is nonetheless influenced by the fact that we are making heavy demands upon the world market. Suppose that we impose a quota that cuts our imports from Countries D and E. Obviously, Countries D and E are hurt. But what about Country F? Is it immune? Certainly not. When our demand is withdrawn from the market, the price falls. And the goods that Country F sells elsewhere in the world bring it a smaller return. Is our use of QR a *good thing* for Country F? I think not.

One final case:—The United States imports a product from Countries G and H. Suppose that we inaugurate a quota system without cutting our total imports at all. But we give a bigger quota to G and a smaller quota to H. G may gain in the process or it may lose. That will depend entirely on whether we exact a price for the favor we confer. But certainly nobody will contend that Country H is better off because every country on earth is free to use QR.

It is probable that somebody will remind me, in the course of this debate, that certain products imported into the United States have been and are subject to QR. In a few cases,—a very few cases,—I am aware that this is true. If the rules of the Charter are adopted, these cases will be *only* those in which domestic production is similarly controlled. And QR will *not* be used to expand our own producer's share in our own market. But even in these cases, and even under such rules, I have gathered from these proceedings that our employment of QR has met with something less than universal acclaim. There are even those who have said that they don't like it. If we were to extend this principle to the whole range of our import trade, would the general enthusiasm for its employment be increased?

I have always supposed, Mr. Chairman, that the future economic policy of the United States is a matter of great importance to the other nations of the world. I have been led to believe that an increase in our tariffs or the general imposition of import quotas would be regarded as a serious blow to their essential interests. If this is indeed the case, I must ask other countries to consider for a moment the direction in which some of them are asking us to go, and what the consequences would be.

If the trading pattern now written into the

Charter is ultimately adopted, there will be no official limit on the total quantity of goods that they can sell in the United States. They will not be told that some part or all of our market has been reserved for somebody else. They will not be told that we will not take their goods because we do not like their policies. They will not be told that we will not take their goods unless they pledge themselves to take specific quantities of ours. They will not find themselves excluded from other markets by the fact that we have pre-empted them for ourselves.

But let us suppose that any one of a dozen amendments that are now before us should be adopted and that all restraints on quantitative restrictions would finally be destroyed. Does any one really suppose, if the scourge of restrictionism in its most virulent form is to sweep over a large part of the world that the rest of us, or specifically, that the United States would remain completely immune? Suppose that we eventually succumb, what then? Other countries may be told when they approach us with their goods that they can sell to us but only up to a certain limit, regardless of quality. They may be told that they cannot sell to us unless they agree to take specific quantities of specific goods—not harmonicas perhaps, but something else—in return. They may be told that our market is reserved for someone else. They may be told they cannot sell to us until they modify domestic policies we do not like. They may discover, when they attempt to sell in other markets, that we have been there first to freeze them out.

I do not utter these words, Mr. Chairman, as a threat. I want to make it perfectly clear that that is not the way we want to do business. And, unless we are driven to it, it is not the way that we shall do business. But if some of the proposals now before us were adopted, this is the destination towards which we should be asked to turn our feet.

It was always our idea, Mr. Chairman, that it would be the purpose of the Ito to organize the world for economic peace. But if our future were to lie in conflict, one doubts that organization would be required. If nation were to strike at nation, if retaliation were to go around the circle again and again and again, all of this could be accomplished without any agreement of any sort. If QR were to be released from all restraints, it is difficult to see why anyone should want a Charter or an International Trade Organization.

Meeting of International Meteorological Organization: Conference of Directors

ARTICLE BY JOHN M. CATES, JR.

The Conference of Directors of the International Meteorological Organization closed its twelfth session on October 11, 1947, with an impressive record of nearly 75 years of uninterrupted international service.¹ In the short space of three weeks the Conference had adopted 220 technical resolutions dealing with the science of meteorology, concluded an international convention by which the I^{mo} is to be reorganized into an inter-governmental organization, and approved a procedure for the establishment of relationship as a specialized agency of the United Nations. In accomplishing this last step toward specialized-agency status and consequent relationship with the United Nations, the I^{mo} prepared the way for the conclusion of an early agreement with the Economic and Social Council and close cooperation with the United Nations. The World Meteorological Organization will thereby take its place with the closely related transport and communications organizations in the aviation, telecommunications, and postal fields as a member of the family of the United Nations. The relationship thus to be established between the United Nations and the international technical organizations is expected to provide the basis for the coordination of the closely related activities of these organizations with consequent benefits to the specialized agencies themselves, to the United Nations, and to the world at large.

The I^{mo} has for three quarters of a century been composed of the directors of meteorological services of the various states and territories of the world, with almost universal membership. Of its 88 members, 55 attended the Conference:

Anglo-Egyptian Sudan	French Equatorial Africa	Norway
Argentina	French West Africa	Pakistan
Australia	Greece	Palestine
Belgian Congo	Guatemala	Paraguay
Belgium	Hong Kong	Philippines
Bermuda	Hungary	Portugal
Brazil	Iceland	Rhodesia
British East Africa	India	Siam
Burma	Indo-China	Sweden
Canada	Ireland	Switzerland
China	Italy	Tunisia
Colombia	Malaya	Turkey
Cuba	Mauritius	Union of Soviet Socialist Republics
Czechoslovakia	Mexico	United Kingdom
Denmark	Morocco	United States
Ecuador	Netherlands	Uruguay
Egypt	Netherlands East Indies	Venezuela
Finland	New Zealand	Yugoslavia

Four additional members were represented by observers:

Chile	Poland	Union of South Africa
Dominican Republic ²	Rumania	

The representation at the Conference of both sovereign states and territories indicates the dual nature of the Conference. It was both a conference of meteorological directors, members of a non-governmental technical organization convened to consider meteorological regulations essential to the accomplishment of the Organization's primary

¹ "Final Report (mimeographed edition), Twelfth Conference of Directors", International Meteorological Organization, Washington, Sept. 22-Oct. 11, 1947.

² Attended by invitation although not a member.

functions, and a conference of plenipotentiaries convened to conclude an international convention under which there might be established an inter-governmental organization eligible for status as a specialized agency with formal relationship with the United Nations.

The United States Delegation,³ headed by Dr. Francis W. Reichelderfer, Chief of the United States Weather Bureau, urged that consideration be given to the following points:

(1) That an intergovernmental status was essential to assure to a world meteorological organization the prestige it deserved in its relationships to other intergovernmental organizations and to assure its accomplishment of the various responsibilities placed upon it; (2) that a formal relationship with the United Nations was in the best interests of both the Wmo and the United Nations; (3) that the membership of the new organization should conform to any decisions of the United Nations relating to membership in specialized agencies; and (4) that the Imo should continue in existence until such time as the convention establishing the intergovernmental Wmo should come into force.

With regard to technical matters, the United States Delegation directed its efforts toward obtaining the highest possible degree of uniformity in procedures and symbols used in reporting meteorological data and toward a clarification of the relationship between the Imo and the International Civil Aviation Organization.

The problems before the Conference of Directors thus fell into two general categories: (a) technical meteorological questions and (b) organizational and policy questions.

Technical Questions

Immediately preceding the Conference of Directors in Washington, there had been held in Toronto joint meetings of the so-called technical commissions of the Imo through which the basic work of the Organization is accomplished. There are presently 11 Commissions: Agricultural Me-

teorology, Aeronautical Meteorology, Maritime Meteorology, Synoptic Weather Information, Hydrology, Instruments and Methods of Observation, Polar Meteorology, Radio-Electric Meteorology, Climatology, Bibliography and Publications, and the Aerological Commission.

The Toronto meetings developed 405 technical resolutions which, by the action of the Resolutions Committee of the Conference, were consolidated into 220 resolutions. These resolutions are indicative of the importance of weather forecasting to the fields of agriculture, aviation, flood prevention, shipping, applied science, and safety at sea and in the air. The common purpose behind all the resolutions was the standardization of meteorological procedures and facilities with a view to obtaining a uniform quality of meteorological information throughout the world.

Although a detailed description of these technical resolutions is not necessary to a general account of the Conference, mention should be made of several of outstanding importance: the agreement between the Imo and the Icao on standard procedures and reporting forms for aeronautical meteorology; the adoption of a universal code of symbols for describing various types of meteorological conditions; agreement on projects for the study of climatology and the effect of weather conditions on crops; and a hydrographical study with particular reference to the forecasting of flood conditions. The broad scope of the activities of the Imo and the importance of its forecasts to every human activity is dramatically illustrated by the subjects of these highly technical resolutions. These resolutions, together with those of previous conferences, are the basis on which an accurate world-wide weather-observing and forecasting system has been developed.

The Conference accepted the report of the organization's secretary general and the recommendations of its Executive Council on its budget for the next year. Because of increased activities of the organization, contributions to meet the 1947-48 budget of \$90,000 are to be increased to three times the normal prewar annual contribution. Because of changes in membership, this will result in a 50 percent increase on current contributions. The United States contribution will thereby be increased approximately from \$3,000 to \$4,500.

³ The United States Delegation, in addition, consisted of: H. R. Byers, University of Chicago; John M. Cates, Jr., State Department; Commander G. Van A. Graves, U.S.C.G.; Delbert M. Little, Weather Bureau; Capt. Howard T. Orville, U. S. N.; Ivan R. Tannehill, Weather Bureau; and Brig. Gen. D. N. Yates, U.S.A.A.F.

The Conference, recognizing that the new governmental organization would not come into existence for several years, agreed that the IМО should carry on its usual functions until the entry into force of the convention of the WМО in order to insure the necessary continuity in the world-wide cooperation of meteorological services. Further, to bridge the gap between the IМО and the proposed WМО the Conference directed its Executive Council to prepare and submit to the first meeting of the congress of the WМО recommendations governing the administration of the new organization and the transfer to it of the functions and activities of the IМО.

Organizational and Policy Matters

The Conference, sitting in its capacity as a conference of plenipotentiaries to consider a convention for the establishment of a world meteorological organization, had before it a draft convention prepared by a committee of the previous meteorological conference and individual drafts prepared by Canada, France, the United Kingdom, and the United States. Before consideration of the convention itself, the Conference argued at length upon the relative merits of an intergovernmental organization as against a more informal nongovernmental organization of the type of the IМО. The proposed relationship with the United Nations and the possibility that the organization would thereby lose some of its autonomy and suffer from the injection into its technical affairs of the disturbing influence of international politics were the main points upon which the opponents of the convention and of the WМО based their arguments. The final decision of the Conference to adopt a convention and change the status of the IМО to that of an intergovernmental organization was due in great part to the strong beliefs, as expressed by Argentina, France, the United Kingdom, the United States, and the Union of Soviet Socialist Republics, in the advantages which would follow not only from placing the organization upon a convention basis but also from a relationship to the United Nations, which relationship was in turn dependent upon the adoption of a convention.

The convention, as adopted, follows in general the form of the conventions of ICAO, the International Telecommunication Union, and other specialized agencies, although its specialized purposes and functions and its unique membership

and voting articles give it particular interest. The basic purposes of the organization are set forth in the preamble, whereby the contracting states "with a view to coordinating, standardizing, and improving world meteorological activities, and to encouraging an efficient exchange of meteorological information between countries in the aid of human activities" agree to the present convention. These purposes are to be accomplished through facilitating the establishment of a world-wide network of weather-observation stations, the establishment of systems for the rapid exchange of weather information, the promotion of the standardization of meteorological observation, and the furtherance of the application of meteorology to aviation, shipping, agriculture, and other human activities.

Membership in the organization is not limited to sovereign states, as is the case with most intergovernmental organizations, nor is provision made for associate members. Membership in the organization is open to states represented at the Conference as listed in annex I of the convention; members of the United Nations having meteorological services; states not members of the United Nations but having meteorological services, upon approval of two-thirds of the members; any territory or group of territories as listed in annex II whose mother countries were represented at the Conference; and any territories not listed in the annex but maintaining meteorological service on behalf of which the convention is applied by the state having responsibility for their international relations and upon approval of two thirds of the members. In the discussions of this membership clause, a great point was made that only sovereign states could become parties to an international convention and members of the organization set up under the convention. However, with the recent experiences of the Universal Postal Union and the International Telecommunication Union in mind, the meteorologists, whether representing sovereign states or territories, were determined to maintain as fully as possible the world-wide-membership concept of the International Meteorological Organization. This concept had made no distinction between the directors of meteorological services of states, territories, or other forms of political and even geographic divisions. The requirements of international law and the demands of certain states were met by providing that only

those members of the organization which were sovereign states could vote upon reserved subjects; namely, the amendment or interpretation of the present convention or proposals for a new convention; membership in the organization, relations with the United Nations and other intergovernmental organizations; and the election of certain officers of the organization. It is believed that this membership formula, unique in the annals of international organizations, is practicable and will serve to meet not only the needs of the Wmo but also the requirements of the formalities of international law and practice. This provision of virtually full membership for territories is particularly appropriate in view of the fact that the territories, almost without exception, support their own activities in the organization without aid from the mother country.

The vexatious question of membership in the new World Meteorological Organization of states not fully recognized as being sovereign was met by providing that only states represented at the Conference, as listed in annex I of the convention could become members merely by signing and ratifying; all others, except members of the United Nations, must secure approval of two thirds of the members. Among this latter group are the states and would-be states, the status of which has so complicated the conferences of other specialized agencies during the year.⁴ The postponement of a final decision of these questions until the Wmo itself becomes established expedited the business of the Conference considerably.

The question of Spanish participation in the Wmo was handled by a protocol similar to those adopted by the International Telecommunication Conference and the Universal Postal Congress.⁵

The question of Spanish participation in the Conference of Directors of the Imo, a nongovern-

⁴International Civil Aviation Organization (ICAO), BULLETIN of June 15, 1947, p. 1145; International Telecommunication Union (ITU), BULLETIN of Nov. 30, 1947, p. 1033; also, Universal Postal Union (UPU) Congress held in Paris, May-June 1947.

⁵"It is hereby agreed that Spain may, as soon as the Resolution of the General Assembly of the United Nations dated December 12, 1946 shall be abrogated or shall cease to be applicable, accede to the Convention of the World Meteorological Organization by complying with the provisions of Article 33 of the said Convention, without having to comply with the provisions of Article 3(c) of the said Convention". (Article 3(c) requires approval of two thirds of the members for admission to membership.)

mental organization, presented a unique problem, which was solved by the adoption of a realistic resolution recognizing "that in consequence of the Resolution of the General Assembly of the United Nations, dated December 12, 1946, the Director of the Spanish Meteorological Service is prevented from exercising his rights as a Member of the Conference of Directors until such time as said Resolution shall be abrogated or cease to be applicable". This resolution implied approval by the Conference of the action of the United States in withholding from the Director of the Spanish Meteorological Service an invitation to the Conference of Directors.

The final point for the convention to consider, establishment of a formal relationship with the United Nations, was carried without difficulty after the adoption by the Conference of the convention in the form described briefly above. Particularly dramatic was the support given to the relationship by the representative from Portugal, whose country had recently been barred from membership in the United Nations but who stated that, nevertheless, his government wished to support fully the principles to which the United Nations were devoted. As a basis for consideration of an agreement of relationship, the Conference appointed a committee on which were represented France, Norway, Portugal, the United States, and the United Kingdom. This committee met for three days immediately following the termination of the Conference and agreed upon a draft agreement of relationship between the United Nations and the Wmo. This draft agreement is to be circulated to the members of the Imo for comment before presentation to the United Nations as a basis for discussion by the respective negotiating committees.

The re-establishment of the Imo on an intergovernmental basis and on an equal level with other specialized agencies in the field of transport and communications will make possible future cooperation and coordination among these technical organizations which are so dependent upon each other for aid in performing the functions for which each is responsible. The Conference of Directors, in paving the way for the provision of accurate and universal weather forecasting to the people of the world, has set an outstanding example for service cooperation among governments and among international organizations.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Expression of Faith in United Nations as Means of World Peace

EXTEMPORANEOUS REMARKS BY PRESIDENT TRUMAN¹

I want to wish all of you a happy and prosperous 1948 and to say to you that I think 1947 has been a good year—not as good as we would like to have had it, none of them ever are—and that I am still confidently looking forward to a world peace on which all the nations can agree, and the proper implementation of the United Nations.

I always think of the Constitution of the United States and the difficulties that took place in the Colonies between 1781 and 1789, and then the difficulties that took place between 1789 and 1809. If you carefully look over that situation, you will find that they had tremendous difficulties in those days, almost exactly the same difficulties with which we are faced now both in Europe and here.

It took just about eighty years, really, to get the Constitution properly implemented. In fact it was not the Constitution of the United States until 1865.

So I don't think we ought to be discouraged at things that sometimes get in our way in making this tremendous peace organization work. I did not intend to make you a speech, but I am very much interested in peace, and I have every faith in the final working of the United Nations as a means of general world peace, for the simple reason that we can't afford anything else. It is to our selfish interests and to the selfish interests of every country in the world that we do have a workable world peace.

Presidential Appointments to U.N. Interim Committee

[Released to the press by the White House January 3]

The President on January 3 appointed Warren R. Austin, United States Representative at the Seat of the United Nations, as United States Representative in the Interim Committee of the General Assembly of the United Nations; and Philip C. Jessup, Hamilton Fish professor of international law and diplomacy at Columbia University, as Deputy United States Representative. The Interim Committee of the United Nations General Assembly was established in accordance with a resolution adopted on November 13, 1947, at the Second Session of the United Nations General Assembly and will meet on January 5, 1948, at United Nations headquarters, Lake Success, New York.

The proposal for the establishment of an Interim Committee was placed on the agenda of the General Assembly by the United States after the Secretary of State, speaking in the Assembly on September 17, 1947, had suggested that such

a committee be created. The resolution on the Interim Committee, adopted 41-6, with six abstentions, provides that the Interim Committee shall assist the General Assembly by considering matters specifically referred to it by the Assembly; by considering disputes or situations placed on the Assembly's agenda by a member state or by the Security Council; by making studies on how the general principles of international cooperation in the political field and in the maintenance of international peace and security shall be implemented; and, within the scope of its jurisdiction, by conducting investigations and appointing commissions of inquiry. The Interim Committee has also been instructed to undertake a study of the veto, in consultation with any committee which the Security Council may designate.

Mr. Austin, formerly Senator from Vermont,

¹ Made before the President's press and radio conference at the White House on Dec. 31, 1947.

holds the rank of Ambassador. In addition to his duties as Permanent Representative at the Seat of the United Nations, he was a member of the United States Delegation to the Second Part of the First Session of the General Assembly and to the Second Regular Session of the Assembly.

Professor Jessup recently served as the United States Representative on the United Nations Com-

mittee for the Progressive Development of International Law and Its Codification. He has had long experience in international affairs. Following service in 1943 as a division chief in the Department of State's Office of Foreign Relief, Dr. Jessup acted as Assistant Secretary General to the UNRRA and Bretton Woods conferences in 1943 and 1944.

Review of Facts Regarding Accreditation of Bona Fide

U.N. Correspondents

NOTE FROM THE UNITED STATES MISSION TO THE UNITED NATIONS

[Released to the press December 31]

Text of the communication delivered December 31 by this Government, through the United States Mission to the United Nations, to the Secretary-General of the United Nations concerning the subject of accreditation of correspondents

EXCELLENCY:

I have the honor to refer to your telegrams of December 22 and 23, regarding the detention and proceedings in connection with possible deportation in the cases of Nicholas Kyriazidis and Syed S. Hasan, which state that both these persons have been accredited as press correspondents by the United Nations. On instructions from my Government I beg to reply as follows:

"The Government of the United States intends to abide fully, both in letter and spirit, with the Agreement of June 26, 1947, regarding the headquarters of the United Nations which became effective November 21, 1947, as authorized by Public Law 357 of the 80th Congress and by the resolution of October 31, 1947 of the General Assembly.

"Although the Agreement became generally effective on November 21, its specific applicability to the interim headquarters of the United Nations at Lake Success and Flushing was not effective until the execution of the Supplemental Agreement of December 18. It is not entirely clear, therefore, whether the agreement was technically in force at the time of Mr. Kyriazidis' detention on December 17. My Government appreciates, however, the desirability of giving the fullest pos-

sible effect to the Agreement regardless of any such technicality.

"Under Section 13 (b) of the Agreement, the United States retains the right to deport any persons who, in activities outside their official capacity, have abused the privileges granted under Section 11 and 13. It is provided that deportation proceeding shall not be instituted except with the prior approval of the Secretary of State, which shall be given only after consultation with the Secretary General (or the appropriate Member Nation if a representative of a Member is involved).

"In considering the application of the Headquarters Agreement in the instant cases, it is pertinent to note that the individuals were accredited by the United Nations without the 'consultation with the United States' referred to in Section 11. Since accreditation took place before the Agreement became effective, there was no legal obligation on the United Nations to hold such consultations. Absence of consultation does, however, leave unconsidered any view of the United States on the question of whether the individuals concerned are legally entitled to the privileges granted by Section 11 and as to whether the United States was consequently under obligation to consult the Secretary General pursuant to Section 13 (b) before instituting the proceedings.

"The application of Section 13 (b) to the present cases may be uncertain for another reason. The issue may be not whether the individuals may have abused their privileges in activities outside of their official capacity, but whether their privi-

leges may be void on account of misrepresentation of, or failure to disclose, material facts bearing on their accreditation or the issuance of their visas.

"While my Government does not believe that it has failed to comply with the Headquarters Agreement, it recognizes that it was unfortunate that the status of these persons was not clarified by an exchange of views before the exercise of discretion by the United Nations to accredit them and before the cases reached the stage of legal proceedings.

"It is the view of my Government that the following steps should be taken to avoid any further misunderstandings: (1) The entire list of representatives of the press, radio, film or other information agencies accredited by the United Nations in its discretion should be reviewed by the United Nations in consultation with the United States, so as to bring all *bona fide* representatives clearly under the protection of the Agreement; (2) Procedures, data and criteria for handling future accreditations should be worked out jointly between officials of the United Nations and of the United States; (3) In all future cases where there appears to be any question as to compliance with or interpretation of the Headquarters Agreement, every effort should be made by both parties to settle the matter by informal discussion without taking steps that might be construed as engaging in public controversy. Representatives of the Government of the United States are available for early discussion of all these matters at the convenience of United Nations officials at Lake Success.

"Meanwhile both Mr. Kyriazidis and Mr. Hasan have been released from custody. It is our understanding that Mr. Hasan plans to leave the country voluntarily in the immediate future. No further steps will be taken in either case without consultation with the Secretary General.

"In conclusion let me assure your Excellency that my Government is deeply conscious of its obligations as host to the United Nations and is fully confident that the problems which may arise in implementing the Headquarters Agreement can be readily solved by mutual understanding and good will without prejudicing either the security of the United States or the stated purposes of the Agreement 'to enable the United Nations at its headquarters in the United States, fully and efficiently to discharge its responsibilities and fulfill its purposes.'"

Accept [etc.]

WARREN R. AUSTIN

The General Assembly and the Problem of Greece

[Released to the press January 4]

The Department of State on January 4 released a special supplement to the BULLETIN entitled *The General Assembly and the Problem of Greece*. This publication supplements the materials issued by the Department in September 1947 under the title *The United Nations and the Problem of Greece*. It summarizes the lengthy General Assembly discussion of the question of relations between Greece and its northern neighbors, analyzes the voting on the various resolutions offered on this subject, and describes the positions adopted by Greece's northern neighbors, the U.S.S.R., and Poland. The current publication also contains an analysis of the evidence developed by the Subsidiary Group of the Balkan investigating commission from April to September 1947. This material shows that foreign assistance to the Greek guerrillas was continued on a considerable scale even during the period of active consideration of the Greek problem by the Security Council, and that Albania, Bulgaria, and Yugoslavia consistently refused to cooperate in any way with the work of the United Nations Subsidiary Group.

The supplement is being issued as Department of State Publication 2986, Near Eastern Series 12. Copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., for 25 cents each.

U.S. Delegation to IRO Preparatory Commission

[Released to the press December 31]

The Department of State announced December 31 the composition of the United States Delegation to the fifth part of the first session of the Preparatory Commission for the International Refugee Organization (Iro), which is scheduled to be held at Geneva, Switzerland, from January 20 to approximately January 30, 1948. The Delegation is as follows:

Chairman

George L. Warren, Adviser on Refugees and Displaced Persons, Department of State, and United States Representative on the Preparatory Commission of IRO

(Continued on page 63)

January 11, 1948

FOREIGN AID AND RECONSTRUCTION

Interim Aid Agreement Signed With France, Italy, and Austria

REMARKS BY AMERICAN AMBASSADOR TO FRANCE¹

[Released to the press January 2]

Since liberation France has made encouraging progress towards economic recovery. It has become increasingly apparent, however, that, due to the unprecedented wartime destruction and exhaustion of stocks, combined with two disastrously short crops, complete recovery would take longer than previously anticipated. The reconstruction task has been a heavy one and progress has been at the cost of the near-exhaustion of France's external financial resources and of the credits received from the United States and other sources.

When the special session of Congress convened last month at the call of the President of the United States, France was facing a situation in which her dollar resources were not adequate to procure the quantities of food, fuel, and materials needed from abroad to keep her people and her economy going during the winter and early spring. It was evident that unless something could be done and done quickly, wheat imports would have to be reduced and shipments of coal and petroleum decreased or eliminated entirely. A crisis was impending which, unless resolved, would have resulted in a further reduction in the already inadequate diet of the French people; in the closing of factories with resulting unemployment; and in impairment of transportation through lack of fuel.

The agreement which we have signed today is in pursuance of the response of the American

people to this emergency situation. In the same spirit in which they recently despatched their Friendship Train to France, the American people, through their elected Congressional representatives, have allocated part of the taxes they are paying to assist France "to alleviate conditions of hunger and cold and to prevent serious economic retrogression".

The meaning of the United States foreign-aid program to France is best defined in terms of receipts in France of scarce commodities urgently needed to support French economic recovery. Following the enactment of the United States foreign-aid legislation on December 16, 1947,² and without awaiting the signing of today's agreement, critically needed items actually being unloaded in French ports became subject to payment from United States aid funds. Among these items are part of the allocation of United States supplies to France of 343,500 tons of bread grains for December-January 1947-48, and one million tons of coal for December 1947. These scheduled shipments represent the beginning of a program that will include not only these items but also petroleum, various foods, including notably fats and milk, and fertilizers and other items needed to speed the recovery of French agriculture.

The nature of this aid is well exemplified also by the assistance being furnished by the use of the French bread ration, which has been maintained at present levels only by large imports of cereals. In December of this year, for example, the allocation to France by the United States of 183,500 tons of wheat would, if devoted entirely to that purpose, cover approximately 70 percent of the bread ration in France during this month. The im-

¹ Made upon the occasion of his signing the interim aid agreement with France in Paris on Jan. 2, 1948. Jefferson Caffery is the American Ambassador to France. For text of agreement see Department of State press release 3 of Jan. 2, 1948.

² Public Law 389, approved Dec. 17, 1947. The Secretary of the Senate reported that on Dec. 16 he presented to the President the enrolled bill (S. 1774).

portance of coal imports to the French economy was indicated by the fact that during the first 10 months of 1947, imports of this commodity from the United States were equal to 24 percent of French production.

In facing the future, I believe we can all take hope and inspiration from President Truman's Christmas message to the American people, which said in part:

"As we prepare to celebrate our Christmas this year in a land of plenty, we would be heartless,

indeed, if we were indifferent to the plight of less fortunate peoples overseas.

"We have supplied part of their needs and we shall do more. In this we are maintaining the American tradition.

"Because of our efforts people of other lands see the advent of a new day in which they can lead lives free from the harrowing fear of starvation and want.

"With the return of hope to these people will come renewed faith—faith in the dignity of the individual and the brotherhood of man."

REMARKS BY AMERICAN AMBASSADOR TO ITALY³

[Released to the press January 3]

For the second time within a six-month period, I have had the honor and pleasure to represent the Government of the United States in the negotiation and signing of an agreement to bring aid to the people of Italy.⁴ The law enacted by the Congress of the United States on December 17 has but one major objective in Italy—to provide immediate assistance in form of food, fuel, and other commodities urgently needed by the people of Italy to alleviate conditions of hunger and cold and prevent an economic retrogression which would jeopardize any general European recovery

program based on self-help and cooperation. The assistance to the Italian people is being given freely by the people of the United States, with the firm belief that this help will assure the development of Italy as a free and independent nation. My Government has only this as its objective.

The action of the American Congress in authorizing these shipments of wheat, coal, and other supplies demonstrates the confidence of the American people that the will to work of the Italian people will overcome the economic difficulties and problems which have resulted from the war.

PRESS RELEASE ISSUED BY THE ITALIAN GOVERNMENT ON JANUARY 3, 1948

[Released to the press January 3]

An important milestone on the path of international cooperation was passed today in Palazzo Chigi in Rome when the Italian Government, represented by Premier de Gasperi and Foreign Minister Carlo Sforza, and the American Government, represented by Ambassador Dunn, signed an agreement between the two countries, under which Italy will receive free from the United States essential food, medical supplies, fuel, and other commodities to carry her people through the serious winter months.

This additional assistance became possible as a result of a special session of the United States Congress called by President Truman to enact legislation which would provide resources to carry out

the will of the American people to help alleviate suffering in the war-devastated countries.

A program of assistance made possible by the Foreign Aid Act of 1947, passed by Congress on December 17, 1947, has but one major purpose—to provide immediate assistance in the form of food, fuel, and other commodities urgently needed by the people of Italy, France, Austria, and China

³ Made upon the occasion of his signing the interim aid agreement with Italy in Rome on Jan. 3, 1948. James C. Dunn is the American Ambassador to Italy. For text of agreement see Department of State press release 9 of Jan. 3, 1948.

⁴ For text of agreement of July 4, 1947, see BULLETIN of July 13, 1947, p. 97.

to alleviate conditions of intolerable hunger and cold, and prevent serious economic retrogression which would jeopardize any general European economic program based on self-help and cooperation. This element of the intention of the United States is again brought out in the preamble of the agreement just signed by representatives of the two Governments: "The Government of the United States of America and the Government of Italy considering the desire of the people of America to provide immediate assistance to the people of Italy and considering that the enactment by the United States of America of the Foreign Aid Act of 1947 provides basis of such assistance to the people of Italy, have agreed as follows".

Assistance to Italy under this act follows a program initiated by the United States in July 1947 whereby approximately \$120,000,000 worth of food, fuel, and medical supplies were provided

free to the Italian Government for distribution to its people. That program, which is nearly completed, resulted in the people of Italy receiving 2,000,000 tons of coal, 564,000 tons of cereals and flour, 7,000 tons of fats and oils, 2,000 tons of dairy products, 18,000 tons of pulses, and \$649,000 worth of medical supplies.

The supplies to be made available under this agreement will be turned over to the Italian Government free of charges. The majority of these supplies will be sold for lire by the Italian Government through commercial channels. The proceeds of such sales will be deposited in a special account in the name of the Government of Italy and will be used for effective retirement of the national debt, to promote stabilization of the Italian currency, and for such other purposes as may be mutually agreed by the two Governments.

REMARKS BY UNITED STATES HIGH COMMISSIONER IN AUSTRIA ⁵

[Released to the press January 3]

For the second time within the space of approximately six months, it is my privilege and honor to sign, on behalf of the United States Government, an agreement with the Austrian Government to provide urgently needed basic commodities designed to contribute to Austria's reconstruction and rehabilitation.⁶ The effects of the initial aid agreement signed in June of last year are in evidence in the noticeable progress which Austria has made to restore stable economic conditions.

The purpose of these aid agreements is to help you help yourselves. The Americans, acting through their elected representatives in Congress, have appreciated the problem faced by Austria and

⁵ Made upon the occasion of his signing the interim aid agreement with Austria in Vienna on Jan. 3, 1948. General Geoffrey Keyes is the United States High Commissioner in Austria. For text of agreement see Department of State press release 6 of Jan. 2, 1948.

⁶ For text of agreement of June 25, 1947, see BULLETIN of July 6, 1947, p. 39.

other devastated countries in Europe. In the interests of restoring peaceful and stable conditions to the world, the people of the United States are sharing, freely and without recompense, their money and goods to help create conditions in Austria and the rest of Europe conducive to normal relations between sovereign states. The conditions of this have been freely and voluntarily accepted by both sovereign Governments and there are no stipulations, secret or otherwise, which in any way limit the authority or infringe upon the independence of the Austrian Government. For the people of the United States these aid agreements represent an investment for peace and no price is too high to pay in order to avoid the costly waste of war. We had hoped that this agreement might have been signed by Austria as a completely liberated state, with its treaty assured. We shall continue to take all practicable measures to help you achieve this ultimate goal, with Austria intact and governed by a government of its own free choice.

Statistics and Foreign Policy

BY WILLARD L. THORP¹

Assistant Secretary for Economic Affairs

An increasing number of major problems of foreign policy are of such a character that measurement and magnitude become elements of basic importance. It is worthy of note that recently, when a delegation from the United Kingdom arrived to discuss with us a revision of the bizonal fusion agreement for Germany, included in its impedimenta was a calculating machine. The classic "S" commodity list, beginning "shoes and ships", has been out-of-date for some time due to the lamentable obsolescence of that colorful item known as sealing wax, but the new "F" list—food, fuel, fibers, and fertilizer—has top priority on the current foreign-policy agenda of most governments, and these items appear there almost entirely as problems of magnitude. Today calories get more attention than kings. The slide rule, the calculating machine, and the statistical yearbook have become necessary tools of diplomacy.

The statistical puzzles arising out of foreign-policy problems naturally are as varied as the universe. They are not limited by subject-matter, area, or time. What should be the number of whales permitted under the international whaling convention to be caught during the next whaling season in order to maintain a stable whale population, keeping also in mind the world shortage of fats and oils—a neat problem in the vital statistics and caloric content of whales? What are the proper cost-of-living-adjustment allowances to permit U.S. Government representatives in various countries to maintain approximately equivalent living standards—an index-number problem with peculiar difficulties not merely for price-level and foreign-exchange reasons, but because of differing national customs of hospitality and patterns of protocol? What was the probable amount of destruction to American property in Italy arising out of the war and for which Italy must make partial payment under the peace treaty—a problem of statistical inference from quite fortu-

itous and incomplete sample data? What is the fair proportion between the United States and India for the shipment of raw cotton to Japan under present controlled trade conditions—a problem in which the accepted guiding principle requires the finding of a "representative base period" out of a most abnormal series of years? What is the relationship between the availability of tobacco products in the Ruhr and the production of coal and steel—a problem of psychological measurement since the proposal as made by several Senators rests in the allegation that tobacco products are particularly effective as incentive goods? What amount of goods sent to Russia under the lend-lease program was presumably unused and undestroyed at the end of the war and thus subject to a negotiated settlement—a problem in wartime and peacetime property life tables, and attrition, and depreciation rates? This random list of a few problems may serve to establish the inference of the presence of statistics in the State Department, but the record will be clearer if we consider two illustrations in somewhat fuller detail.

In a world where there are desperate shortages of commodities, the problem of allocation has become a matter of prime importance. Countries have become competing purchasers, and even, in a few tragic cases, competitors for relief assistance. The shortages are wide-spread and severe, and for many commodities there are few countries with an exportable surplus. Foodstuffs are in this category, and no government with any claim to responsibility can look away while its people are hungry. The State Department has probably received more *aide-mémoire*, notes, memoranda, and formal and informal visitations from Prime Ministers, Ambassadors, foreign technicians, and even self-appointed representatives concerning the subject of

¹An address delivered before the American Statistical Association, New York, N.Y., Dec. 29, 1947. Mr. Thorp is president of the Association.

food allocations than any other single topic during the last two years. The White House too has had distinguished callers on the same subject.

The development and application of the concept of equitable food allocation, based on a careful examination of requirements and availabilities, was done first by a small international committee, then by the International Emergency Food Council, and is now in process of being taken over by the Food and Agriculture Organization, one of the specialized agencies of the United Nations. This international body makes recommendations to the supplying countries as to the proper distribution of their surpluses, and these recommendations are followed with little variation.

The problem is a most complex one. The basic unit for comparing food levels is the calorie, but unfortunately the simple definition in Webster that a calorie is the amount of heat required to raise the temperature of one kilogram of water one degree centigrade has not been so exact and indisputable when applied in the field of nutrition. Two caloric tables for valuing foods are in general use now, one by the United States Army and one by the International Emergency Food Council. There are at least half a dozen other tables used in various parts of the world. The two principal ones vary in caloric content from 10 to 15 percent. Similarly, the effort to measure various types of grain in "wheat equivalent" opens the door to a thorough state of confusion. It is self-evident that when statisticians of many countries meet together to discuss a given problem, a primary requirement is that there be some common measure for setting down the facts, and this has been a major task in the food field. Although this does eliminate one standard area for professional controversy, there will always remain enough other factors of disagreement to permit full self-expression.

Obviously, the first information required for making international allocations is that pertaining to the requirement and the indigenous supply in each country. If these can be satisfactorily determined, the import requirement follows merely by subtraction. At once it is necessary to remark that in many countries where industrial production is lagging, the production of statistics is also below prewar, both in quality and quantity. Unfortunately, statistical organizations have been disorganized at the same time that the items to be measured have been subjected to wide varia-

tion. Even as basic a datum as population must be approached through estimation. Substantial movements of peoples have taken place, in addition to the abnormal effects of war on both birth and death rates. And none of the devastated countries has had the time or energy to take a postwar census, necessary to obtain a relatively secure benchmark. Similarly, agricultural production in most cases is measured much less accurately than before the war by the surviving statistical agencies in the various governments. And even less certain, both abroad and at home, are the important estimates of wheat and coarse grains consumed by man and beast on the farm and thus not moving into the available supply. However, on the basis of the prewar picture for which more reliable data are available, and the records for the past two years, including ration levels, the amounts imported, and the apparent stocks on hand, estimated import requirements for the current year, quarterly and by months, are worked out regularly by the experts.

On the other side of the equation, the possible export surplus, three of the chief exporting countries have regularly indicated their availabilities as best they can. Argentina, which provides about 20 percent of the world's exports of grain, has not participated in the effort to plan the most effective distribution of the available supply. This unfortunate situation has been met in part by the other exporting countries through adjustment of the allocations to offset supplies obtained from the Argentine. Russia's exports, which have been limited in amount and have gone to very few recipient countries, have also not been subject to international allocation.

But even the direct facts on immediate requirements and supplies are not enough to solve the problem. Wheat, of course, is only one of many foods. It happens to be the cheapest form in which calories can be purchased in substantial quantities. In allocating wheat, the international committee must consider what other foods are available in the country with a wheat deficit. Obviously, it is quite proper in the light of the world shortage to cut down on wheat shipments to countries which have a fair amount of other foods. Even then, however, one must have some regard for the necessities of balanced diets.

Furthermore, food habits and food requirements must be considered. Even in times of great need, a people does not change its way of eating over

night. New foods are not easily introduced, even to a starving people, and established prejudices are surprisingly tenacious. For example, corn is not regarded as a proper food for human beings in a number of European countries, nor are potatoes in the normal diet of Italy, while rice is consumed much more than wheat in Cuba. Differences are not merely the result of taste. Countries with long winters have different requirements from those in the Tropics. And even in our own experience as an occupying power, we have recognized that a much higher caloric requirement is needed for Germans than for Japanese to maintain the same health level. So the statistician, in figuring the amount of wheat to allocate to any deficit nation, must have a clear picture of that country's historical eating habits and be familiar with its preferences and prejudices.

Finally, in considering the amount which is to be permitted to come from abroad, the allocations must not work in such a way as to punish the country which brings its maximum to the market place, or all enterprise and initiative in the direction of improved collections from the farms will be destroyed. Conversely, there must be some penalty for failure to use the indigenous supplies most efficiently.

Since the beginning of the allocation procedure, it has always been true that the screened requirements for foodstuffs for all the deficit countries have totaled to substantially more than the availabilities, and here the really painful job begins—the effort to determine where the requirements can be cut with the minimum of hardship. The figures of each country are reviewed again and again, and there are many conferences to explore various aspects of the situation more thoroughly. Finally, the allocations are announced. At least, the process has made everyone aware of the limitations on supply and the urgency of the demands from other countries.

These random comments about the allocation machinery may make the task appear exceedingly complex. But the fact remains that the job must be done. These formidable calculations, aimed to take into consideration both the over-all requirements and supply situation and the peculiar circumstances in each case, are the only hope of providing some basis of fairness and equity in the distribution of scarce things to people who are in desperate need of them.

There is no question but that living for millions of individuals, for the next few years at least, will have to continue under rationing and allocations of critical, scarce commodities. The peoples in these countries know that death from starvation is just as permanent as death from bombing. They know that allocations and rationing are protections to their lives—that the rationing of milk, for instance, may cut down the number of fancy dishes served in fine hotels, but it does get the needed food to more mothers and infants for whom it is an essential. The international allocations in the same way are an effort more nearly to equalize the burden of the shortage on the people of the various countries, not leaving the distribution solely to ability to offer the highest bid or to the appeal of political sympathy, obligation, or reward.

The decision having been made to disregard economic bargaining or political discrimination and to place allocations on an objective basis, the key to this whole process becomes the little-heralded statisticians—both those who must present the case for their countries, and those who must screen the competing claims and bring them into a reasonable relationship with each other. The day and night work and worry is theirs, but they have built in large part upon the work of other statisticians whose work has gone before. I hesitate to think how impossible it would be to handle this problem had it not been for the continued collection and analysis of agricultural statistics and nutritional data in many countries for many years.

As a second illustration may I speak briefly about the European Recovery Plan? The last six months have seen a most difficult and complex statistical undertaking in Washington—the examination of the requirements for European recovery and the study of the capacity of the American economy and other economies to carry the European deficit in the meantime. This task has absorbed the full energies and capacities of many experts in many government agencies. The only relief for the central group directing the project was temporary when in a lighter moment they decided to call themselves the Technical Wizards on the European Recovery Program, or the TWERPS, for short.

Anyone familiar with Washington during wartime can easily visualize the time and energy required to develop the details of a plan involving

16 countries and a four-and-a-quarter year period. I remember in the late twenties being told by a Russian economist about the tremendous efforts required and the manpower devoted to drawing up the Five-Year Plan. Last summer, I saw French economists and statisticians in a state of near exhaustion from working on the so-called Monnet Plan. No one should regard an undertaking of this kind lightly. There have been no days, and even at times no nights, of rest.

This project stems back, of course, to the suggestion by Secretary Marshall that the countries of Europe get together, examine what their requirements will be over a period of time sufficient to permit them to put their economies on a self-supporting basis, determine how much of these requirements they can meet separately and collectively, and thus indicate what additional help is needed to accomplish the program.

Sixteen of the western European nations met in Paris last summer and in an incredibly short period of weeks drew up a program on which they could all agree. Undoubtedly, this agreement was possible because the essential elements of European recovery are beyond dispute—that production must be substantially increased, sound currencies must be established, and the restrictions on trade must be reduced. Their national requirements were presented and assembled. After some slight screening and reduction where the requirements were clearly beyond the possibility of supply, the so-called deficit was calculated. This was all incorporated in the report of the Committee of European Economic Co-operation which, together with a number of technical annexes, was sent to Washington in September.

Work was already well under way in Washington by that time, particularly with reference to the capacity of our own economy to meet such foreign demands and the effect of such an operation upon our own economic operations. But the review of the European plan has proved to be a most complicated undertaking. Covering a period of four-and-one-quarter years, the program for each of 16 countries and western Germany had to be consistent as between its internal program and its export and import programs. For the total of all countries, the requirements from abroad and the availability of supply had to balance. Similarly, for the various individual commodities,

demand and supply had to balance. For each country, its balance of payments had to be in equilibrium. And when supplies could not be obtained in the United States but could be found in other supplying countries, these prospective sources had to be determined and incorporated into the pattern. In other words, the total pattern had to balance not merely as to an over-all figure, but by commodities, by country physical requirements, and by country balances of payments. Similar patterns had to be prepared for each year within the period. And finally, the attempt to achieve both commodity and the balance-of-payments estimates in turn had to be broken down by currency areas in order to indicate the nature of the deficit with the dollar area.

The number of arithmetical calculations which have gone into these estimates probably total more than a million. Five time periods are covered—the last quarter of the present fiscal year, April 1 to June 30, 1948, and the four successive years until June 30, 1952. Twenty-three areas were involved, beginning with the 16 countries which participated at Paris, the dependent areas of the United Kingdom, Belgium, France, Netherlands, Portugal, and western Germany in three parts—the Bizonal Area, the French zone excluding the Saar, and the Saar itself (since the Saar territory may shortly be incorporated economically into France). Twenty-six commodity groups were selected for particularly intensive treatment, of which a number, such as iron and steel, have to be built up from a series of separate categories—pig iron, scrap steel, iron ore, crude and semifinished steel, tin plate, steel sheet and other finished steel—and for projections of the volume and value of trade covering movements of commodities among the participating countries, between the participating countries and the United States and other Western Hemisphere and other non-participating countries in turn. After the volume of this trade was derived, it had to be multiplied by prices to obtain values. While July 1, 1947, prices were used, it was necessary to ascertain prevailing prices in the different areas of the world on that date, since the prewar assumption that prices for internationally traded commodities tend to be equal the world over has lost its validity under the conditions which prevail today.

The task of combining the figures provided by

the commodity committees into a coherent system from which balance-of-payments estimates could be derived fell, as it happened, to the Department of State. An early courageous attempt was made to grapple with it by assembling the adding and calculation machines of which the Department can boast only a sparse and scattered population and by amassing at the same time the clerical assistance necessary to man or woman these machines. The attempt was futile. The traditions of the Department of State and its personnel training are oriented more toward the accurate and careful phrasing of a memorandum than the well-multiplied, checked, and proven statistical table. Resort was necessarily had to punch cards and automatic sorting and addition. It may be that the Foreign Office of 10 years hence will boast a full line of international business machines with operators in 24-hour attendance. As of today, it was necessary to work the calculations in on the graveyard shift at Census, Bureau of Labor Statistics, and finally in the Department of National Defense.

One further difficulty was to establish the price assumptions to be used for the future period. Here the crystal ball was particularly cloudy. The Paris conference had used the prices then current, July 1, 1947, as the basis for both exports and imports for the first year (1948) and had then assumed that European export prices would remain firm, while import prices would decline by 7½ percent in 1949, 10 percent in 1950, and 12½ percent in 1951. The American reviewers have felt that the only way out of this dilemma was to present a range. Actually, the basic calculations were made in July 1, 1947, prices, but the totals have been adjusted globally to meet different sets of price assumptions.

For the first 15 months, all exports from Europe and imports to Europe from the Western Hemisphere, except the United States, are calculated at 5 percent above July 1, 1947, prices, while United States and non-Western Hemisphere shipments to Europe are 7.5 percent above July 1, 1947. In the later years, the calculations on the high-price assumption hold the price level constant with the level for the initial period, while the calculations for the low-price assumption are based on a marked decline, particularly for the items imported to Europe. These different assumptions ex-

plain the presence of a range in the total requirement for the program of 15.1–17.8 billion dollars.

The projections are, of course, not blueprints which can be followed during operation. Actually, this is a sketch rather than a blueprint. Its purpose is to provide Congress and the public with as accurate an estimate as possible of what the program may in fact turn out to be and the general magnitude of the requirements from abroad, if the European Recovery Program is to be accomplished. If some of the items are not available in the quantities indicated, there may be substitution. If availabilities increase, prices will fall, or if they decrease, prices will rise. In either event, the dollars involved will tend to be more nearly constant than the constituent elements. And with so many commodities and countries, we can fall back on the protection of all statisticians, the hope that the deviations will be somewhat compensatory.

In the original undertaking, five sets of questionnaires were drawn up by the European group to obtain information on food, fuels, machinery, iron and steel, transport, and balance of payments. This information has been available to us in Washington, and to it has been added further information which we requested, plus the vast reservoir of knowledge accumulated in our own Government. However, it is unfortunately clear that there are some serious gaps in the basic information required.

Even with the most complete information possible, there could be no assured results. The most that we can do is to achieve consistent and logical results from as reasonable assumptions as can be made. As I have already pointed out, assumptions had to be made as to price levels. Another uncertainty is created by the necessity to estimate crops. Should we assume that the weather will continue to be as un-cooperative with the farmer in Europe as it has been since the end of the war? And there are many other unknowns, such as, at what point the processes of commodity hoarding will cease and money will be used again as a store of value.

It is clear that the Recovery Program will have to be a dynamic and flexible operation. As was true during the war, programs will have to be changed from time to time as conditions change both as to countries and as to commodities. To

achieve the most effective use of the available resources, there will need to be continued and detailed statistical recording of progress made and forecasts of the short- and long-run prospects. The injection of statistical methods into foreign policy is therefore no temporary expedient but promises to be a continuing necessity.

Certain conclusions are now apparent concerning our capacity to reduce the problems which I have been discussing to exact measurement. The first is the common complaint of the statistician—that we do not have adequate data. This is, of course, particularly true of the countries where the effects of the war are still felt so severely. On the American side, we know much too little about the statistical quality and relevance of much of the foreign data. It is clear that these international projects require cooperation and understanding between the statisticians of all participating nations. And time can be used up most rapidly if one is skipping about among long tons, short tons, and metric tons, not to mention bushels, quintals, hundredweights, barrels, and imperial gallons.

On this point, that of the development of statistical data and the effort to achieve greater uniformity, there is much that the United Nations can do, supplemented by the private international statistical organizations. The establishment of a Statistical Commission by the United Nations and the international statistical meetings held in Washington last September may give us some encouragement. This is a long-time job—it calls for continuous support and stimulation. If much is to be accomplished, the statisticians in the United States must take the lead. We must continually be prepared to demonstrate that, in this modern world, many problems can be faced properly and solved economically only when measurement is respected as a fundamental characteristic of the analysis.

But beyond these points, there is a continuing frustration because too few relationships have been reduced to calculable form. It is obvious that planning really requires both cost and market data, that the requirements in the form of materials must be readily related to capacity, that labor supply and working capital requirements must all be part of such consideration. Here the statistician can make endless contributions, substituting detailed analysis for the rule of thumb or

the experimental approach. In these matters, too much is at stake to be careless or casual. Nevertheless, our answers often contain far too much of the "rough estimate" and too little of the careful calculation.

The same problems arise in connection with the use of statistics in the foreign-policy field as in any other—the struggle to do an honest and objective job and the difficulties of convincing others that such is the result. There are always those who would prefer to be guided by emotion, prejudice, and preference. It is not at all surprising that suspicions which continually cross national boundaries are not stopped by statistics.

Nevertheless, the fact remains that problems must be handled; there must be answers; and statisticians, both here and abroad, can contribute much to finding the best answers. As a professional group, we have a clear-cut responsibility. First, we must continually strive to improve our performance through developing our own capacities and improving the raw material with which we work. But beyond that, we must persistently try to persuade others to take an objective view of the facts, to use to the full the techniques and capacities which we have to offer. We cannot promise to solve all the world's problems. Many of them are not problems of measurement at all. But where possible the utilization of statistics, the reference to objective criteria, and the effort to measure before committing oneself to a line of action—these are all ways in which rational men approach problems. And foreign policy should be no exception to the rule.

Unfortunately, foreign policy is an area where it is all too easy for emotions and prejudices to be aroused, where problems all too often get subjective treatment. One approach toward international understanding is to expose problems to the facts whenever possible—and they must be accurate and dependable facts. The battle between prejudice and analysis is our battle, in which we must supply much of the ammunition. Our responsibilities and opportunities have greatly increased in the international field. We not only can help in the development of knowledge about the world we live in, but we can actually contribute substantially to that international understanding which is so greatly needed in the world today.

Communist Attempt To Overthrow Recognized Greek Government

[Released to the press December 30]

The claim of certain Communist guerrilla leaders that they have established at some unknown point a "First Provisional Democratic Government of Free Greece" is a transparent device, the true purpose of which will be clear to everyone. It is only a phase in the familiar effort of certain elements to overthrow the legitimate and recognized Greek Government and to threaten the terri-

torial integrity and political independence of Greece. It came as no surprise. In itself, it would not materially change the existing situation.

But if other countries were to recognize the group, this step would have serious implications. It would be clearly contrary to the principles of the United Nations Charter. And if the country concerned were one of Greece's neighbors to the north, the act would constitute an open disregard of the recent recommendations of the United Nations Assembly, as set forth in the resolution of last October.

Negotiations for Revision of Schedule I of Trade Agreement With Mexico

ANNOUNCEMENT OF PUBLIC NOTICES

[Released to the press December 31]

The Acting Secretary of State on December 31 issued formal notice of intention to conduct negotiations for the revision of Schedule I of the trade agreement between the United States of America and the United Mexican States which was signed on December 23, 1942, and entered into force on January 30, 1943. Schedule I relates to the customs treatment accorded United States products upon importation into Mexico.

The Committee for Reciprocity Information simultaneously issued a notice fixing the dates for submission to it of written information and views about the projected negotiations and of applications to appear at public hearings before the Committee. The notice sets forth the time and place for the opening of the hearings. Representations which interested persons may wish to make to the Committee may cover any articles of actual or potential interest in the export trade of the United States with Mexico.

On December 13, 1947, the Government of Mexico announced the immediate provisional conversion of the specific rates of duty on products enumerated in Schedule I to *ad valorem* or compound rates at levels equivalent to those prevailing in 1942, as a means of correcting the disequilibrium in its balance of international payments and of giving a more reasonable measure of protection to Mexican industries. The Government of the United States consented to this action, pending a more definitive revision of Schedule I immediately following the termination of the United Nations Conference on Trade and Employment now in session at Habana. The negotiations announced on December 31 are for the purpose of considering that definitive revision. They will include discussion of an expansion of the list of items now included in Schedule I and adjusted

concessions in the converted Mexican tariff rates on United States products presently included in Schedule I. Export interests are urged to let the trade-agreements organization know at the public hearings what concessions they feel should be requested in these negotiations.

PUBLIC NOTICE OF THE DEPARTMENT OF STATE

[Released to the press December 31]

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to amend the Tariff Act of 1930", as extended and amended by Public Law 130, 79th Congress, approved July 5, 1945 (48 Stat. 945, 59 Stat. 411; 19 U.S.C. Supp. V, 1354), and to Executive Order 6750, of June 27, 1934, as amended by Executive Order 9647, of October 25, 1945 (3 CFR, 1945 Supp., ch. II), I hereby give notice of intention to conduct negotiations for the revision of Schedule I of the trade agreement between the United States of America and the United Mexican States which was signed on December 23, 1942 and entered into force on January 30, 1943.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to such negotiations should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications, and the time and place set for public hearings.

ROBERT A. LOVETT
Acting Secretary of State

WASHINGTON, D.C.
December 30, 1947.

**PUBLIC NOTICE OF COMMITTEE FOR RECIPROCI-
TY INFORMATION**

[Released to the press December 31]

Closing date for submission of briefs, January 30,
1948

Closing date for application to be heard, January
30, 1948

Public hearings open, February 11, 1948

*Submission of Information to Committee for
Reciprocity Information*

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the negotiations for the revision of Schedule I of the trade agreement with Mexico, which relates to the customs treatment accorded United States products upon importation into Mexico, in respect of which notice of intention to negotiate has been issued by the Acting Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, Friday, January 30, 1948. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets, Northwest, Washington 25, D.C."

A public hearing will be held, beginning at 10 a.m. on February 11, 1948, before the Committee for Reciprocity Information, in the hearing room of the Tariff Commission in the Tariff Commission Building, where supplemental oral statements will be heard.

Ten copies of written statements, either type-written or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

Persons interested in items of export may present their views regarding any tariff concessions that might be requested of the Government of Mexico in the negotiations.

By direction of the Committee for Reciprocity Information this 30th day of December 1947.

EDWARD YARDLEY
Secretary

WASHINGTON, D.C.,
December 30, 1947

¹The text of Proclamation 2764, 13 *Federal Register* 21, was issued as Department of State press release 5 of Jan. 2, 1948. For documents relating to pineapple slips, avocados, and palm beach cloth also see press release 5. The text of the exclusive agreement was printed in the *BULLETIN* of Jan. 4, 1948, p. 29.

**Presidential Proclamation on Exclusive
Trade Agreement With Cuba**

The President issued on January 1, 1948, a proclamation putting into effect as of January 1, 1948, the provisions of the exclusive agreement, signed by the United States and Cuba on October 30, 1947, supplementary to the general agreement on tariffs and trade signed at Geneva on the same date.¹

Under this proclamation, effect is given to the preferential rates of duty and tariff treatment set forth in part II of schedule XX of the general agreement which are applicable exclusively to products of Cuba imported into the United States. The proclamation also lists the rates of duty for a number of products in addition to those in part II of schedule XX of the general agreement which, under the exclusive agreement, receive preferential tariff treatment upon importation into the United States as products of Cuba. Products of Cuba not enumerated or provided for in part II of schedule XX of the general agreement or in the lists set forth in the President's proclamation will be subject to the same rates of duty as imports from other countries.

The proclamation also gives effect to provisions in the exclusive agreement which make inoperative the provisions of the 1934 trade agreement between the United States and Cuba, as amended in 1939 and 1941, and the convention of commercial reciprocity of 1902 between the United States and Cuba for such time as the United States and Cuba are both parties to the general agreement.

The text of schedule XX may be obtained either from the Government Printing Office (50¢) or in volume 4 of the general agreement on tariffs and trade, issued by the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y.

**U.S. Deposits Ratification of Inter-American
Treaty of Reciprocal Assistance**

[Released to the press December 30]

The instrument of ratification by the United States of the inter-American treaty of reciprocal assistance signed at Rio de Janeiro on September 2, 1947, was deposited with the Pan American Union in Washington on December 30, 1947. The instrument of ratification was delivered personally to Alberto Lleras Camargo, Director General of the Pan American Union, by Ambassador William Dawson, Representative of the United States on the Governing Board of the Pan American Union.

The treaty, popularly referred to as the inter-American defense treaty, was submitted by the

Establishment of the Union of Burma

[Released to the press December 30]

Message from President Truman to Sao Shwe Thaik, Saopha of Yawnghwe, President of the Union of Burma, on the occasion of the establishment of the Union on January 4, 1948

It is fitting that on this day, the day of the birth of a new nation, a sovereign independent republic, the Union of Burma, I should extend to you, to the Prime Minister and to the people of the Union, on behalf of the people of the United States of America, my sincere best wishes. We welcome you into the brotherhood of free and democratic nations and assure you of our firm friendship and goodwill, anticipating that the Union of Burma will take its rightful place among the nations of the world and by constructive participation will assist in the advancement of the welfare of all mankind. We in this country have confidence in the people of Burma and in their leaders. I am sure that our friendship will continue in the future and will be expressed in the same close and cordial relations as have existed in the past.

[Released to the press January 4]

Robert A. Lovett, Acting Secretary of State, addressed the following message to the Ambassador of Burma on the occasion of the flag-hoisting ceremony at the Embassy of Burma in Washington on January 4, 1948

This is a memorable occasion for the world as well as for Burma itself, for on this day the Union of Burma, a sovereign independent republic, has joined the family of nations. I extend to Your Excellency and to the people of Burma the welcome of the people of the United States. May the flag first flown today be dedicated to democratic principles of freedom, to the cause of peace, and to the advancement of all peoples. It is of singular pleasure to us here in the United States that you have seen fit to use the colors red, white, and blue, and to represent your various peoples by white stars on a blue field. Needless to say red, white, and blue and white stars on a blue field are especially dear to all Americans. We are confident that this new flag will symbolize the cordial meeting of the East and the West for the betterment of the entire world.

¹ For text of treaty see BULLETIN of Sept. 21, 1947, p. 565, and for an article by Ward Allen on the subject see BULLETIN of Nov. 23, 1947, p. 983. The report of the Acting Secretary of State is printed in the BULLETIN of Dec. 14, 1947, p. 1188.

President to the Senate with a message dated December 1, 1947. The Senate, by resolution dated December 8, gave its advice and consent to the ratification of the treaty. The treaty was ratified by the President on behalf of the United States on December 19.

Pursuant to articles 22 and 23, the treaty will come into effect between the American republics which ratify it as soon as the instruments of ratification of two thirds of the signatory countries have been deposited with the Pan American Union. The treaty, which was formulated at the Inter-American Conference for the Maintenance of Continental Peace and Security, was signed at Rio de Janeiro by the plenipotentiaries of 19 of the American republics, including the United States. According to information in the possession of the Department of State, an instrument of ratification of the treaty has been deposited with the Pan American Union by the Dominican Republic.

The English text of the treaty has been printed in the Senate document designated as Executive II, 80th Congress, 1st session, which contains also the texts of the President's message to the Senate and the report by the Acting Secretary of State to the President.¹ The following statements with respect to the treaty are contained in the Acting Secretary's report:

"This treaty represents a significant advance in international cooperation for the maintenance of peace and security. Its provisions commit the other parties promptly to assist the United States in the event of an armed attack by any country on our territory or anywhere in the region defined by the treaty, and the United States similarly pledges its assistance to the other parties in case any of them is subjected to such an attack. In determining collective measures, the parties guarantee in advance to observe important decisions reached by two-thirds of them, reserving for their individual consent among the listed measures only the vital decision as to their participation in the use of armed force. The obligatory character of decisions by a two-thirds majority assures that the general collective will of the community can be made effective, and avoids the possibility that the operation of the treaty might be paralyzed through the non-concurrence of a small minority.

"The vital spirit of Pan American solidarity is implicit in the provisions of the treaty and there is every reason to believe that the treaty affords an adequate guaranty of the peace and security of his hemisphere, thereby assuring so far as possible the necessary condition to the continued advancement of the economic, political, and social ideals of the peoples of the American states."

U.S. Delegation to 9th Pan American Child Congress

[Released to the press December 31]

The Department of State announced on December 31 that the President has approved the composition of the United States Delegation to the Ninth Pan American Child Congress, which is scheduled to be held at Caracas, Venezuela, January 5-10, 1948. The Delegation is as follows:

Chairman

Katharine F. Lenroot, Chief, U. S. Children's Bureau, Social Security Administration, Federal Security Agency

Delegates

Dr. William J. French, County Health Officer, Anne Arundel County, Annapolis, Md.

Hazel Gabbard, Specialist in Extended School Service, U. S. Office of Education, Federal Security Agency

Kathryn D. Goodwin, Assistant Director, Bureau of Public Assistance, Social Security Administration, Federal Security Agency

Secretary

Mrs. Elisabeth Shirley Enochs, Director, International Cooperation Service, U.S. Children's Bureau, Social Security Administration, Federal Security Agency

The Child Congress will consider the following topics:

(1) pediatrics; (2) maternal and child health; (3) social welfare legislation; (4) education (in rural localities, preschool child, progressive education, vocational training and welfare, and recreation for the child outside of school); and (5) inter-American cooperation in the protection and welfare of children.

The First Pan American Child Congress was held at Buenos Aires in 1916, and the Eighth Congress was held at Washington in May 1942.

Letters of Credence

Ecuador

The newly appointed Ambassador of Ecuador, Señor Augusto Dillón, presented his credentials to the President on December 31, 1947. For translation of the Ambassador's remarks and for the President's reply, see Department of State press release 998 of December 31, 1947.

Bulgaria

The newly appointed Minister of Bulgaria, Dr. Nissim Judasy Mevorah, presented his credentials to the President on December 29, 1947. For translation of the Minister's remarks and for the President's reply, see Department of State press release 991 of December 29, 1947.

Union of Soviet Socialist Republics

The newly appointed Ambassador of the Union of Soviet Socialist Republics, Mr. Alexander Semenovich Panyushkin, presented his credentials to the President on December 31, 1947. For translation of the Ambassador's remarks and for the President's reply, see Department of State press release 995 of December 31, 1947.

Compensation for Finnish Ships Requisitioned During the War

[Released to the press January 2]

On December 19, 1947, a note was addressed by the Department of State to the Finnish Legation in Washington stating that the United States Government does not propose to invoke the provisions of article 29 of the treaty of peace with Finland, 1947, with respect to claims of Finnish shipowners for just compensation under the provisions of Public Law 101, approved June 6, 1941.

The pertinent parts of article 29 of the Finnish peace treaty read as follows:

"1. Finland waives all claims of any description against the Allied and Associated Powers on behalf of the Finnish Government or Finnish nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Finland at the time, including the following:

"2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest.

"3. Finland likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Finnish Government or Finnish nationals against any of the United Nations whose diplomatic relations with Finland were broken off during the war and which took action in co-operation with the Allied and Associated Powers.

"4. The waiver of claims by Finland under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Finnish ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Convention on prisoners of war now in force."

As the United States is not a signatory of the Finnish peace treaty, it occupies the status of a third-party beneficiary with respect to article 29, and can thus choose whether or not it will claim the rights offered.

THE DEPARTMENT

Appointment of Officers

Leland Barrows as Deputy Director of the Office of Information and Educational Exchange, effective January 9, 1948.

THE FOREIGN SERVICE

Consular Offices

The American Consulate at St. Stephen, N.B., Canada, was closed to the public on December 15, 1947.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The London Meeting of the Council of Foreign Ministers, November 25–December 16, 1947, Report by Secretary of State Marshall. 10 pp. Free.

A description of what went on in the meeting and why it failed to formulate peace treaties for Germany and Austria.

Relief Assistance: Foreign Relief Program in Italy. Treaties and Other International Acts Series 1653. Pub. 2958. 24 pp. 10¢.

Agreement and Exchange of Notes Between the United States of America and Italy—Agreement Signed at Rome July 4, 1947; entered into force July 4, 1947.

Air Transport Services. Treaties and Other International Acts Series 1656. Pub. 2967. 7 pp. 5¢.

Agreements Between the United States of America and Portugal Amending Agreement of December 6, 1945—Effected by exchanges of notes signed at Lisbon June 28, 1947; entered into force June 28, 1947.

The Program of the Interdepartmental Committee on Scientific and Cultural Cooperation. Inter-American Series 37. Pub. 2994. 42 pp. 20¢.

A series of articles by State Department officials and others on various aspects of the activities of the Interdepartmental Committee.

National Commission News, January 1, 1948. Pub. 3003. 12 pp. 10¢ a copy; \$1 a year.

Published monthly for the United States National Commission for the United Nations Educational, Scientific and Cultural Organization.

¹ For an article by Mr. Warren on the 4th meeting of the Preparatory Commission, see BULLETIN of Jan. 4, 1947, p. 21.

The action of the American Government (which is limited to this particular instance) will enable the Finns to claim compensation for Finnish ships requisitioned during the war through the same channels as are available to American and foreign shipowners. Compensation is pending on 17 Finnish ships, which were requisitioned during the war. Such of these ships as were afloat at the end of the war were returned early in 1947 to Finland pursuant to Presidential order.

IRO Delegation—Continued from page 49

Advisers

Roswell D. McClellan, Economic Analyst, American Legation, Bern, Switzerland

John Tomlinson, Assistant Chief, Division of International Organization Affairs, Department of State

Administrative Assistant

Eleanor Burnett, Secretary to the Adviser on Refugees and Displaced Persons, Department of State

Among the important items to be considered at this meeting of the Preparatory Commission are the reports of the Executive Secretary on (1) the status of organization and finance; (2) the budget for the fiscal year 1948–49; and (3) the establishment of semi-judicial machinery on the eligibility of displaced persons.¹

The Preparatory Commission for the International Refugee Organization was established in order to insure continuity of service to displaced persons after July 1, 1947, when UNRRA and the Intergovernmental Committee on Refugees went out of existence, and to take the necessary measures to bring the permanent organization into operation as soon as possible.

The constitution of the International Refugee Organization was adopted by the General Assembly of the United Nations in December 1946 and deposited for signatures with the Secretary-General of the United Nations. It will come into force when 15 states whose contributions amount to 75 percent of the operational budget have signed it. The United States Congress has approved this Government's participation in the International Refugee Organization. The President signed the legislation authorizing participation on July 1, 1947, and the instrument of acceptance of membership was forwarded to the Secretary-General of the United Nations on July 3, 1947.

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The Department of State

Bulletin

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AUG 17 1949

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

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Postwar Commercial Policy of the United States

ARTICLE BY WOODBURY WILLOUGHBY

The charter for an International Trade Organization, over which the delegates at Habana from more than 60 countries have been laboring since November 21, 1947, has as its basic objective the facilitation of the flow of international commerce. The chief means of accomplishing this objective is through the elimination of trade discriminations and the reduction of trade barriers.

This objective epitomizes the basic principles which have underlain treaties, agreements, and other international instruments to which the United States has been a party since the outbreak of World War II. They may be found in the economic clause of the Atlantic Charter in 1941; in the lend-lease agreements of the following years; in the articles of agreement of the International Monetary Fund and the International Bank for Reconstruction and Development in 1944; in the Anglo-American financial agreement in 1945; and in various other international documents. They are also to be found in our treaty of friendship, commerce, and navigation with China, which is now before the United States Senate. They are incorporated in other commercial treaties already in effect as well as a number in the course of preparation or negotiation. All of these documents spell out in clear and unmistakable terms the desire of the United States to make international trade as free and unhampered and nondiscriminatory as possible.

In some respects, notably our efforts to eliminate discrimination, the basic principles of our

commercial policy have changed little through the years. As early as 1778 in the treaty with France, each nation accorded to the other any privileges granted any third nation. Then, there was the Jay treaty of 1794 where Great Britain and the United States agreed to establish commercial relations on a nondiscriminatory basis. Washington, when he admonished us in his Farewell Address to treat all nations alike in our commercial relations, expressed our historical policy. Like principles are embodied in the various treaties of friendship, commerce, and navigation drawn up during the course of the last century.

The trade agreements act of June 12, 1934, which is the statutory basis for all tariff negotiations since that date, specifically requires that any tariff reduction made under authority of the act be extended unconditionally and immediately to all countries not discriminating against the United States. Agreements have been concluded with more than 30 countries under the provisions of this act.

In the light of this history it is clear why the United States has taken such an active part in sponsoring the formation of the International Trade Organization. The basic requirement of the principal commercial-policy provisions of the charter for an International Trade Organization is that all members agree to extend to all other members unconditionally "any advantage, favour, privilege or immunity" accorded to any other member country on any product. Certain preferences, such as those between territories related by a common sovereignty or between specified

neighboring states, are exempt. However, all members agree to carry on negotiations to reduce tariffs and eliminate preferences on a mutually advantageous basis. In general, no preferences can be increased nor can new ones be added. The benefits resulting from these reductions in tariffs and preferences must not be offset by the imposition of internal taxes, regulations, or other hidden forms of protection.

Probably the most important provisions of the charter are those which prohibit the imposition of quantitative restrictions¹ limiting the volume of exports and imports and having the effect of nullifying the tariff and preference reductions. Since such restrictions throttle competition and foster economic isolationism, the charter renounces the concept and strictly limits the use of such controls.

There are a number of exceptions to the ban on quantitative restrictions, including one authorizing their use on agricultural or fisheries products when needed to implement governmental measures for limiting domestic production and marketing or for facilitating surplus disposal programs. The most important exception to the basic rule against quota restrictions is when a member is faced with balance-of-payments difficulties, as evidenced by a serious decline in its monetary reserves, or the need to increase its already low reserves. Under such conditions it may levy import restrictions.

Members are enjoined from frustrating by trade restrictions the exchange provisions of the articles of agreement of the International Monetary Fund, or by exchange actions the provisions of the charter relating to quantitative restrictions. Members of the Iro must either become members of the International Monetary Fund or enter into a special exchange agreement with that organization. Iro members must also furnish necessary information to the Fund if they do not belong to the Fund organization.

The charter as drafted at Geneva last summer by the Preparatory Committee provides that if any member pays a subsidy to increase exports or reduce imports, it must notify the Iro and agree to negotiate with any member which believes it-

self to be injured thereby. This matter is still unsettled at Habana.

Another section of the charter deals with state trading. Countries carrying on trade through state enterprises are required to conduct their commerce in a nondiscriminatory fashion similar to governments directing the flow of private trade. Members must have equal opportunity to trade with state trading agencies and those state trading agencies are to act according to commercial considerations.

Closely related to the provision on commercial policy is the section which provides that members must eliminate, so far as possible, restrictive business practices fostering monopolistic control of international markets and trade. It is evident that if governments are to be stopped from engaging in harmful trade practices, private business should be prevented from accomplishing the same result by different means.

Members are obligated to take measures conducive to the achievement of full and productive employment within their respective domains, which includes action to eliminate substandard conditions of labor. The charter does not go beyond laying down the goals toward which the members should move since the specific measures to be undertaken are to be appropriate to the political, economic, and social institutions of the respective members.

Members agree to develop their own resources and to raise their standards of productivity. They also agree to cooperate with other countries through the medium of international agencies for the purpose of promoting general economic development. The charter provides that members will not place any unreasonable impediments on the exportation of facilities used for development purposes and such facilities will not be used in a manner injurious to the member providing them. Foreign investment must be given equitable treatment and adequate protection.

The decision as to the industries to be developed will continue to rest with the individual country. Subsidies are permitted when needed for new industries. Further protection may be accorded through the use of tariffs unless the member has signed a trade agreement not to raise the duties on the products concerned. In the latter case, the

¹ For statement on quantitative restrictions by the vice chairman of the U.S. Delegation to the Habana conference, see BULLETIN of Jan. 11, 1948, p. 39.

member must request the Ito to consult with the other members whose trade would be affected by the action and obtain a limited release. The same must be done in order to use quotas. The charter is replete with statements making it incumbent upon all members to deviate as little as possible from the basic policy of the program it enunciates. In most cases, the charter explicitly requires that where a member is forced to place restrictions on trade it must do so in as nondiscriminatory a manner as possible.

In some respects, notably the elimination of discrimination, the basic objectives of our foreign commercial policy have changed little throughout the history of our country. In the matter of tariff duties, on the other hand, there has been a major reorientation. The changed position of the United States from a debtor to an active creditor country created a strong motive to reverse the trend toward higher and higher tariffs in favor of a selective reduction through negotiation with other countries. Under the reciprocal trade-agreements program the rates on a large part of our dutiable imports have been reduced.

This process of reducing our tariff rates in exchange for similar or comparable concessions by other countries has been carried a long step forward by recent negotiations at Geneva. While the drafting of the charter for an international trade organization was in process at Geneva in the spring and summer of 1947 more than a score of the participating countries undertook to give concrete evidence of the sincerity of their belief in the principles of the charter by undertaking simultaneous negotiations on tariffs and other trade barriers.

At this history-making conference the representatives of 23 countries, including, of course, those of the United States, were able to negotiate reductions in barriers to world trade on the most comprehensive scale ever undertaken. There was almost six months of continuous negotiating which required over 1000 formal meetings and an even greater number of less formal discussions. The delegates agreed to tariff concessions covering products which account for almost half the world imports, and at the same time they worked out general rules of trade to safeguard and make these concessions effective. They dealt with trade controls of all kinds—not only tariffs, but also prefer-

ences, quotas, internal controls, customs regulations, state trading, and subsidies.

It was not only the volume of world trade affected by this conference which made these activities of such striking importance, but also the fact that such comprehensive trade negotiations were conducted on a multilateral basis. The general articles on matters affecting international commerce were worked out as a joint effort. The initial discussions of tariff negotiations were undertaken product by product between the principal supplier and the principal importer, but, once a concession was agreed upon, that concession was automatically extended to all other negotiating countries. By the time the negotiations were completed, and as far as the end product was concerned, the country-by-country and product-by-product negotiations had little significance.

The so-called general provisions of the general agreement on tariffs and trade, that is, provisions which do not relate to specific duties, constitute a sort of code of fair competition for the conduct of international trade. They are similar to provisions in the proposed charter and to the general provisions of our own reciprocal trade agreements. The general agreement has provisionally replaced some of the individual reciprocal trade agreements which the United States already had with a number of the negotiating countries.

In addition to developing the charter, the United States is also broadening the scope of its treaties of friendship, commerce, and navigation, the basic bilateral instruments defining our treaty rights in foreign countries. The China treaty, already referred to, is representative of the newer spirit of these treaties of friendship, commerce, and navigation. Among the major improvements is clearly defined coverage for corporations, both the rights of American corporations in China and the rights of Americans participating in Chinese corporations. For the most part the rights provided in the treaty are mutual. There is a new provision specifying the treatment that must be accorded in the administration of exchange controls. The treaty also limits the use of quantitative controls and lays down rules to govern state trading. There are provisions designed to facilitate the settlement of commercial disputes by arbitration.

In the financial field, the United States has actively liberalized its approach. Through the International Monetary Fund, the United States is helping to provide an instrument for the stabilization of currency and thus reduce monetary hazards in the flow of goods across national boundaries. Through the International Bank, it is participating in, among other things, the promotion of "the long-range balanced growth of international trade" and the encouragement of foreign investment. The United States has consistently sought a multilateral approach to both the technical and the commercial aspects of civil aviation.

It is particularly encouraging that many countries have been willing to go on record against freezing into perpetual conditions certain existing constrictive and retarding practices in commercial relations, and with us to set their sights toward a broader and brighter horizon. This is of special importance as we move forward with the Marshall Plan. The principles enunciated in the charter of the Iro are complementary to the objectives of the program for European economic recovery. Though the emphasis in the Recovery Program is on the immediate crisis, the goal is to achieve a measure of equilibrium by 1951 that will assure for the future a satisfactory degree of economic stability and an adequate basis for continuing economic development. The Marshall Plan recognizes that European industries must be rehabilitated and that Europe must become self-supporting. This does not mean that Europe must become self-sufficient. She has not been so in the past and will not be so in the future. Climate and lack of adequate supplies of raw materials make it impossible for her to produce everything she needs. Even as Europe moves forward toward normalcy she must continue to have large imports and sustain herself by multilateral trade.

Trade must be a two-way street. In the long run, the only way Europe can import is by exporting sufficient goods and services to pay for these imports. In other words, it becomes axiomatic under the Marshall Plan that international trade must be facilitated, and it is instruments like the charter of the Iro which do just that. The reduction of tariff barriers and the expansion of non-discriminatory trade relations will assist Europe

to find the means of balancing her accounts with us.

Since the United States is the richest market, both from the standpoint of exports and potential imports, it is particularly significant to world recovery that the United States has been willing to take the lead in reducing barriers to the international flow of commerce. The strong sponsorship by the United States of institutions such as the Iro and its willingness to cooperate in the reduction of tariffs are steps which will facilitate the fruition of the Marshall Plan. The other countries participating in the Recovery Program have indicated that they "are prepared to play their full part" in the reduction of tariffs on a multilateral basis in accordance with Iro principles, and some of these countries participated in the negotiations at Geneva for this purpose.

As we look on every hand—at our participation in the drafting of the charter for an International Trade Organization, our treaties of friendship, commerce, and navigation, our trade agreements, our participation in the International Bank and the International Fund, and our encouragement of the preparation of the European Recovery Program—it is clear that we have laid a good groundwork for more liberalized international commerce. We have broken away from the narrow economic isolationism which confined the world after World War I and we have encouraged some of the leading trading nations of the world to establish more liberal commercial policies.

The people of the United States, acting through Congress, have yet to decide whether they wish this country to ratify the charter and join the Iro when it comes into existence. Although provision has been made for interim aid, we still have to reach a decision as to whether we will take positive action to implement fully the European Recovery Program and make possible the rehabilitation of Europe. The trade agreements act expires next June and must be renewed if we are to continue our program of reducing world trade barriers.

The United States must not cease its leadership toward fuller, freer international trade. If we turn back—if we but falter—at this point, the great advances in international cooperation will be seriously jeopardized, if not completely frustrated. If in our lifetime we are to see a stable world, we dare not stop our march of progress.

Assistance to European Economic Recovery

STATEMENT BY GEORGE C. MARSHALL¹

Secretary of State

On December 19 the President placed before you the recommendations of the Executive branch of the Government for a program of United States assistance to European economic recovery.

This program will cost our country billions of dollars. It will impose a burden on the American taxpayer. It will require sacrifices today in order that we may enjoy security and peace tomorrow. Should the Congress approve the program for European recovery, as I urgently recommend, we Americans will have made an historic decision of our peacetime history.

A nation in which the voice of its people directs the conduct of its affairs cannot embark on an undertaking of such magnitude and significance for light or purely sentimental reasons. Decisions of this importance are dictated by the highest considerations of national interest. There are none higher, I am sure, than the establishment of enduring peace and the maintenance of true freedom for the individual. In the deliberations of the coming weeks I ask that the European Recovery Program be judged in these terms and on this basis.

As the Secretary of State and as the initial representative of the Executive branch of the Government in the presentation of the program to your committee, I will first outline my convictions

as to the extent and manner in which American interests are involved in European recovery.

Without the reestablishment of economic health and vigor in the free countries of Europe, without the restoration of their social and political strength necessarily associated with economic recuperation, the prospect for the American people, and for free people everywhere, to find peace with justice and well-being and security for themselves and their children will be gravely prejudiced.

So long as hunger, poverty, desperation, and resulting chaos threaten the great concentrations of people in western Europe—some 270 millions—there will steadily develop social unease and political confusion on every side. Left to their own resources there will be, I believe, no escape from economic distress so intense, social discontents so violent, political confusion so wide-spread, and hopes of the future so shattered that the historic base of western civilization, of which we are by belief and inheritance an integral part, will take on a new form in the image of the tyranny that we fought to destroy in Germany. The vacuum

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which the war created in western Europe will be filled by the forces of which wars are made. Our national security will be seriously threatened. We shall in effect live in an armed camp, regulated and controlled. But if we furnish effective aid to support the now visibly reviving hope of Europe, the prospect should speedily change. The foundation of political vitality is economic recovery. Durable peace requires the restoration of western European vitality.

We have engaged in a great war. We poured out our resources to win that war. We fought it to make real peace possible. Though the war has ended the peace has not commenced. We must not fail to complete that which we commenced.

The peoples of western Europe have demonstrated their will to achieve a genuine recovery by entering into a great cooperative effort. Within the limits of their resources they formally undertake to establish the basis for the peace which we all seek, but they cannot succeed without American assistance. Dollars will not save the world—but the world today cannot be saved without dollars.

The Paris report of the Committee of European Economic Co-operation was a notable achievement. For the first time in modern history representatives of 16 nations collectively disclosed their internal economic conditions and frailties and undertook, subject to stated conditions, to do certain things for the mutual benefit of all. The commitments each made to the other, if faithfully observed, will produce in western Europe a far more integrated economic system than any in previous history.

The report revealed the measure of outside assistance which in their judgment would be necessary to effect a lasting recovery of the participating nations. The Executive branch, with help and advice from a great many sources, has developed from this report a program of American aid to Europe which gives substantial promise of achieving the goal of genuine recovery. The program is *not* one of a series of piecemeal relief measures. I ask that you note this difference, and keep it in mind throughout our explanations. The difference is absolutely vital.

I believe that this measure has received as concentrated study as has ever gone into the preparation of any proposal made to the Congress. The best minds in numerous related fields have worked

for months on this vast and complicated subject. In addition, the best economic and political brains of 16 European nations have given us in an amazingly short time their analyses and conclusions.

The problem we face is enormously complex. It affects not only our country and Europe but almost every other part of the globe.

We wish to present to you in the simplest possible way a full explanation of the Executive branch recommendations for aid to Europe. Our presentation will entail the appearance of high officials from the agencies of the Government intimately concerned. Others will give you more detailed information on the many factors to be considered.

I will confine my remarks to the three basic questions involved: first, "why does Europe need help?"; second, "how much help is needed?"; and third, "how should help be given?"

I. WHY?

The "*why*". Europe is still emerging from the devastation and dislocation of the most destructive war in history. Within its own resources Europe cannot achieve within a reasonable time economic stability. The war more or less destroyed the mechanism whereby Europe supported itself in the past, and the initial rebuilding of that mechanism requires outside assistance under existing circumstances.

The western European participating countries, with a present population almost twice our own, constitute an interdependent area containing some of the most highly industrialized nations of the world. As a group, they are one of the two major workshops of the world. Production has become more and more specialized and depends in large part on the processing of raw materials, largely imported from abroad, into finished goods and the furnishing of services to other areas. These goods and services have been sold throughout the world and the proceeds therefrom paid for the necessary imports.

The war smashed the vast and delicate mechanism by which European countries made their living. It was the war which destroyed coal mines and deprived the workshop of sufficient mechanical energy. It was the war which destroyed steel mills and thus cut down the workshop's material for fabrication. It was the war which destroyed

transportation lines and equipment and thus made the ability to move goods and people inadequate. It was the war which destroyed livestock herds, made fertilizers unobtainable, and thus reduced soil fertility. It was the war which destroyed merchant fleets and thus cut off accustomed income from carrying the world's goods. It was the war which destroyed or caused the loss of so much of foreign investments and the income which it has produced. It was the war which bled inventories and working capital out of existence. It was the war which shattered business relationships and markets and the sources of raw materials. The war disrupted the flow of vital raw materials from southeast Asia, thereby breaking the pattern of multilateral trade which formerly provided, directly or indirectly, large dollar earnings for western Europe. In the postwar period artificial and forcible reorientation to the Soviet Union of eastern European trade has deprived western Europe of sources of foodstuff and raw material from that area. Here and there the present European situation has been aggravated by unsound or destructive policies pursued in one or another country, but the basic dislocations find their source directly in the war.

The inability of the European workshop to get food and raw materials required to produce the exports necessary to get the purchasing power for food and raw materials is the worst of the many vicious circles that beset the European peoples. Notwithstanding the fact that industrial output, except in western Germany, has almost regained its prewar volume, under the changed conditions this is not nearly enough. The loss of European investments abroad, the destruction of merchant fleets, and the disappearance of other sources of income, together with increases in populations to be sustained, make necessary an increase in production far above prewar levels, even sufficient for a living standard considerably below prewar standards.

This is the essence of the economic problem of Europe. This problem would exist even though it were not complicated by the ideological struggles in Europe between those who want to live as free men and those small groups who aspire to dominate by the method of police states. The solution would be much easier, of course, if all the nations of Europe were cooperating.

But they are not. Far from cooperating, the Soviet Union and the Communist Parties have proclaimed their determined opposition to a plan for European economic recovery. Economic distress is to be employed to further political ends.

There are many who accept the picture that I have just drawn but who raise a further question: "Why must the United States carry so great a load in helping Europe?" The answer is simple. The United States is the only country in the world today which has the economic power and productivity to furnish the needed assistance.

I wish now to turn to the other questions which we must answer. These are "how much" aid is required and "how" should that aid be given.

II. HOW MUCH?

Three principles should determine the amount and timing of our aid. It must be adequate. It must be prompt. It must be effectively applied.

Objective: Recovery

The objective of the European Recovery Program submitted for your consideration is to achieve lasting economic recovery for western Europe: recovery in the sense that, after our aid has terminated, the European countries will be able to maintain themselves by their own efforts on a sound economic basis.

Our assistance, if we determine to embark on this program to aid western Europe, must be adequate to do the job. The initial increment of our aid should be fully sufficient to get the program under way on a broad, sound basis and not in a piecemeal manner. An inadequate program would involve a wastage of our resources with an ineffective result. Either undertake to meet the requirements of the problem or don't undertake it at all.

Time Is Vital

I think it must be plain to all that the circumstances which have given birth to this program call for promptness in decision and vigor in putting the project into operation. The sooner this program can get under way the greater its chances of success. Careful consideration and early action are not incompatible.

The interim-aid law which the Congress enacted last December was designed as a stopgap measure to cover the period until April first of this year. In the meantime it would be possible to consider the long-term recovery measure which we are now discussing. Unless the program can be placed in operation on or soon after April first, there will undoubtedly be a serious deterioration in some of the basic conditions upon which the whole project is predicated.

It is proposed that the Congress now authorize the program for its full four-and-one-quarter-year duration, although appropriations are being requested only for the first 15 months. Annual decisions on appropriations will afford full opportunity for review and control. But a general authorization now for the longer term will provide a necessary foundation for the continuing effort and cooperation of the European countries in a progressive program of recovery.

Amounts of Required Assistance

The amounts, form, and conditions of the recommended program of American aid to European recovery have been presented in President Truman's message to the Congress on December 19, 1947. They were further explained in the proposed draft legislation and background material furnished to this committee at that time by the Department of State. Taking as the basis genuine European cooperation—the maximum of self-help and mutual help on the part of the participating European countries—the program aims to provide these countries, until the end of June 1952, with those portions of their essential imports from the Western Hemisphere which they themselves cannot pay for. These essential imports include not only the food, fuel, and other supplies but also equipment and materials to enable them to increase their productive capacity. They must produce and export considerably more goods than they did in prewar times if they are to become self-supporting, even at a lower standard of living.

During the first 15 months, exports from the European countries will provide current revenue sufficient to cover almost their entire import needs from sources outside the Western Hemisphere and also about one third of their requirements from the Western Hemisphere.

It is not proposed that the United States provide aid to the full extent of western Europe's remaining trade deficit with the Western Hemisphere. Funds from sources other than the United States Treasury are expected to carry part of the load. These will be, principally, credits and other forms of assistance from other countries in our Hemisphere, loans from the International Bank and private sources, and a further slight reduction in European reserves. It is the final deficit, after all those other means of financing essential imports have been utilized, that it is proposed be covered by American aid.

In each succeeding year of the program, increased production and increased trade from Europe is expected to reduce the amount of assistance needed, until after mid-1952, when it is calculated that the participating countries will have recovered ability to support themselves.

The recommended program of 6.8 billion dollars for the first 15 months reflects a searching and comprehensive investigation by the Executive branch of European needs and of availabilities in the United States and other supplying countries, taking full account of the findings of the Harri-man, Krug, and Nourse committees.

The program of 6.8 billion dollars for the first 15 months has been computed with precision. I wish to emphasize that this amount does not represent a generous estimate of requirements. It is not an "asking figure" based on anticipated reductions prior to approval. It reflects a rigorous screening of the proposals developed by the CEEC and a realistic appraisal of availabilities. In our judgment, American assistance in this magnitude is required to initiate a program of genuine recovery and to take both Europe and this nation out of the blind alley of mere continuing relief.

The estimated cost of the program is now put at somewhere between 15.1 to 17.8 billions. But this will depend on developments each year, the progress made, and unforeseeable variations in the weather as it affects crops. The over-all cost is not capable of precise determination so far in advance.

Can We Afford It?

In developing the program of American assistance, no question has been more closely examined

than the ability of the United States to provide assistance in the magnitudes proposed. Both in terms of physical resources and in terms of financial capacity, our ability to support such a program seems clear. Representatives of the Executive branch more closely familiar than I with the domestic economy will provide further testimony on this issue, but I should like to remind you of the conclusions of the three special committees which explored this matter in detail during the summer and fall.

The proposed program does involve some sacrifice on the part of the American people, but it should be kept in mind that the burden of the program diminishes rapidly after the first 15 months. Considerations of the cost must be related to the momentous objective on the one hand and to the probable price of the alternatives. The 6.8 billion dollars proposed for the first 15 months is less than a single month's charge of the war. A world of continuing uneasy half-peace will create demands for constantly mounting expenditures for defense. This program should be viewed as an investment in peace. In those terms, the cost is low.

III. HOW?

The third main consideration which I feel should be borne in mind in connection with this measure is that relating to conditions or terms upon which American assistance will be extended. It is the obvious duty of this Government to insure in so far as possible that the aid extended should be effectively used to promote recovery and not diverted to other purposes, whatever their nature. This aspect of the program is perhaps the most delicate and difficult and one which will require the exercise of a mature judgment and intelligent understanding of the nature of the problem faced by the European governments and of our particular position of leadership in this matter. We must always have in mind that we are dealing with democratic governments of sovereign nations.

We will be working with a group of nations each with a long and proud history. The peoples of these countries are highly skilled, able and energetic, and justly proud of their cultures. They have ancient traditions of self-reliance and are eager to take the lead in working out their own salvation.

We have stated in many ways that American

aid will not be used to interfere with the sovereign rights of these nations and their own responsibility to work out their own salvation. I cannot emphasize too much my profound conviction that the aid we furnish must not be tied to conditions which would, in effect, destroy the whole moral justification for our cooperative assistance toward European partnership.

We are dealing with democratic governments. One of the major justifications of asking the American people to make the sacrifice necessary under this program is the vital stake that the United States has in helping to preserve democracy in Europe. As democratic governments they are responsive, like our own, to the peoples of their countries—and we would not have it otherwise. We cannot expect any democratic government to take upon itself obligations or accept conditions which run counter to the basic national sentiment of its people. This program calls for free cooperation among nations mutually respecting one another's sincerity of purpose in the common endeavor—a cooperation which we hope will long outlive the period of American assistance.

The initial suggestion of June fifth last, the concept of American assistance to Europe, has been based on the premise that European initiative and cooperation are prerequisite to European recovery. Only the Europeans themselves can finally solve their problem.

The participating nations have signified their intention to retain the initiative in promoting their own joint recovery. They have pledged themselves to take effective cooperative measures. They have established ambitious production targets for themselves. They have recognized the need for financial and monetary stability and have agreed to take necessary steps in this direction. They have agreed to establish a continuing organization to make most effective their cooperative work and the application of American assistance. When our program is initiated we may expect that the participating European countries will reaffirm as an organic part of that program their multilateral agreements.

The fulfilment of the mutual pledges of these nations would have profound effects in altering for the better the future economic condition of the European continent. The Paris conference

itself was one major step, and the participating nations have not waited on American action before taking further steps, many of which required a high order of political courage. They have moved forward toward a practical working arrangement for the multilateral clearing of trade. France and Italy, whose financial affairs suffered greatly by war and occupation, are taking energetic measures to establish monetary stability—an essential prerequisite to economic recovery. British coal production is being increased, more quickly than even the more hopeful forecasts, and there is a prospect of the early resumption of exports to the Continent. The customs union among Belgium, the Netherlands, and Luxembourg is now in operation. Negotiations for a Franco-Italian customs union are proceeding.

Application of American Aid

Our aid will not be given merely by turning money over to the European governments. The European countries will prepare periodic statements of their needs, taking into account the developing programs of mutual aid worked out through the CEEC continuing organization. After review by the specialist economic-cooperation officers in each country and by the special U.S. Ambassador to the continuing CEEC organization, they will be transmitted to the Administrator of the American agency carrying out our program of assistance.

The Administrator, in collaboration with other appropriate agencies of the Government, will determine to what extent the European requirements are justified and to what extent they can safely be met. The Administrator will also decide which specific requirements from among the over-all requirements will be financed by the United States, taking into account the ability of the country concerned to pay for some portion or all of its total needs. For those needs which cannot be paid for in cash, the Administrator will further decide, in consultation with the National Advisory Council, whether aid will be provided in loans—where a sound capacity to repay in the future exists—or in outright grants. When the program has been determined in detail, the Administrator will either advance requisite funds to the participating country concerned to enable the purchase of the

approved imports, or, more generally, he will reimburse the countries when they have procured and received these import items.

A substantial amount of the essential needs of Europe must come from countries of the Western Hemisphere other than the United States. In some cases the quantities required will not exist in the United States; in others the impact on the American economy will be greatly relieved if commodities can be procured elsewhere. A sizable proportion of the funds appropriated for the European Recovery Program should therefore be available for the financing of purchases made outside the United States.

The application of American assistance will be in accord with bilateral agreements to be negotiated with each of the participating countries. The terms of these proposed agreements are outlined fully in the documents submitted to your committee on December 19.

Organization for the Program

The administration of the program will demand the best talent and the greatest efficiency that our country can muster. The organization bearing the central responsibility should be small and select. It must hold the full and complete confidence of the American people and of the Europeans. It should combine efficient, business-like administration and operation with the qualities of judgment and discrimination necessary to achieve quick and lasting recovery in Europe at the least *long term* cost to the American people and with the least impact on our economy.

The organization must fit into the complex mechanics of our world export picture. American food, steel, and other products are being exported to many areas other than Europe. In many categories American output represents the major source of shortage goods in the world. There is at present workable machinery in the Government for determining total export availabilities in the light of domestic needs and for allocating these items among the many bidders. We propose that this machinery be continued.

The organization must be granted flexibility in its operations. In my judgment this is the most vital single factor in effective administration. Without flexibility the organization will be unable to take advantage of favorable developments,

to meet adverse emergencies, or to cushion the impact of the program on the domestic economy.

It has been suggested in some quarters that the administering agency should be established in the form of a Government corporation. It is claimed that a corporation can be vested with broader powers and flexibility than an independent Executive agency. I do not believe that this is necessarily so. The legislation establishing an agency can clothe it with any or all of the beneficial attributes of a Government corporation. On the other hand an Executive agency under the responsible direction of one man, and fitted into the existing machinery of government, will be better able to meet the requirements of the situation than a corporation directed by a board. This task of administration clearly calls for administration by a single responsible individual.

Finally, the operation of the program must be related to the foreign policy of the Nation. The importance of the recovery program in our foreign affairs needs no argument. To carry out this relationship effectively will require cooperation and teamwork, but I know of no other way by which the complexities of modern world affairs can be met. It should, I think, be constantly kept in mind that this great project, which would be difficult enough in a normal international political climate, must be carried to success against the avowed determination of the Soviet Union and the Communist Party to oppose and sabotage it at every turn. There has been comment that the proposed organization, the Economic Cooperation Administration, would be completely under the thumb of the Department of State. This is not so, should not be so, and need not be so. I have personally interested myself to see that it will not be so. The activities of the ECA will touch on many aspects of our internal American affairs and on our economy. In the multitude of activities of this nature the Department of State should have no direction.

But the activities of the ECA will be directly related to the affairs of the European nations, political as well as economic, and will also affect the affairs of other nations throughout the world. In this field, the constitutional responsibility of the President is paramount. Whether or not he chooses to ignore or eliminate the Secretary of State in the conduct of foreign relations is a presi-

dential decision. I think that in our effort to restore the stability of the governments of western Europe it would be unfortunate to create an entirely new agency of foreign policy for this Government. There cannot be two Secretaries of State. I do not wish to interfere in the proper operations of the ECA. The organizational structure we have proposed provides a means for giving appropriate direction and control in matters of foreign policy to the Administrator of the ECA with least interference in the businesslike conduct of his task. In this connection he must coordinate his affairs with the legal responsibilities charged to the Secretaries of Commerce and Agriculture.

The man who accepts the challenge of the great task of administering the European Recovery Program must be a man of great breadth, ability, and stature. I have no qualms but that with such a man, and the able aides he will choose, I and my staff can form a smoothly working team for handling the complicated problems in foreign relationships which will arise in the course of the program. In my judgment, the organizational proposals which have been put forward represent a sound and practical arrangement of functions and a framework for successful administration.

Conclusion

What are the prospects of success of such a program for the economic recovery of a continent? It would be absurd to deny the existence of obstacles and risks. Weather and the extent of world crops are unpredictable. The possible extent of political sabotage and the effectiveness with which its true intentions are unmasked and thus made susceptible to control cannot be fully foreseen. All we can say is this program does provide the means for success and if we maintain the will for success I believe that success will be achieved.

To be quite clear, this unprecedented endeavor of the new world to help the old is neither sure nor easy. It is a calculated risk. But there can be no doubts as to the alternatives. The way of life that we have known is literally in balance.

Our country is now faced with a momentous decision. If we decide that the United States is unable or unwilling effectively to assist in the reconstruction of western Europe, we must accept the consequences of its collapse into the dictatorship of police states.

American Aid in Restoring the European Community

BY CHARLES E. BOHLEN ¹

Counselor

During the war and since the end of hostilities, the United States has taken the lead in almost every movement designed to further world cooperation and to bring about the substitution of the rule of law for anarchy and force in international affairs. The Charter of the United Nations, as well as the basic idea on which it rests, was in large measure the result of United States initiative. The International Bank, the International Monetary Fund, UNRRA, and virtually every other international organization for a constructive purpose bears a strong imprint of American leadership and idealism. It would be false to pretend that the hopes which found expression in these endeavors have as yet been fulfilled. But it can be asserted with confidence that if the world today is still far from the realization of these hopes it has not been due to a lack of genuine effort on the part of your Government.

It should be a matter of pride to our people that the United States took the lead in these constructive efforts. It is because of its record in this respect—notwithstanding the disappointments that have been encountered—that the United States now enjoys the support and confidence of the free peoples of the earth. As a result of that record, we can with clear conscience proceed to do what is necessary in the present world situation. And in doing so, we must face the world as it is—not as we would like it to be.

In the past year and particularly in the last few months, the harsh outlines of the present world situation have emerged with greater clarity. It is a matter of tragic fact that the United States and the western democracies, in their efforts to

bring about a free and prosperous world community, have encountered at every step opposition and obstruction on the part of the Soviet Government.

The record of the western Allies in earnestly attempting to find a secure foundation for such common action is convincing testimony to their good faith and their sincerity of purpose. It is a cause of profound regret that the sentiments that motivated their efforts were not reciprocated.

It is in relation to Europe that the deep cleavage between the aims and purposes of the western democracies on the one hand and those of the Soviet Union on the other find clearest expression. The fundamental facts of the European situation and the cause of our disagreements with the Soviet Union in that area have been clearly outlined on a number of occasions by the President and the Secretary of State as well as other officials of the United States Government. A thorough understanding on this point, however, is so vital to an understanding of our foreign policy as a whole that, at the risk of appearing repetitious to many of you, I shall restate these facts.

The basic cause of the present state of affairs in Europe is of course the war itself. This most destructive of all wars quite literally shattered the European community.

It left behind it, as Secretary Marshall stated in his report to the nation on December 19th, a continent whose economic and political life was completely disrupted. The essential question confronting the major Allies at the close of hostilities was what policies were to be adopted in relation to this shattered continent. Was a helping hand to be extended to the European nations to assist them in rebuilding an independent community of free nations? Or was their weakness and misery to be exploited for purposes of domination

¹ Excerpts from address made before the centennial celebration of the State of Wisconsin at Madison, Wis., on Jan. 5, 1948, and released to the press on the same date.

and control? The answer was not slow in coming and is now, I think, plain to all.

If the cooperation of all the major Allies could have been enlisted in this task of reconstruction, it would obviously have been far simpler and less costly. To this end, during the war and postwar conferences, the western democracies with patience and persistence sought the cooperation of the Soviet Union in this task. Despite freely negotiated agreements at Yalta and Potsdam to further the revival of a free and democratic European community, the Soviet Union, at first by devious means and later openly, has consistently sought to block the realization of that aim. The United States, the United Kingdom, and the western democracies have sought a revival of Europe, free from outside pressure or threat. The Soviet Union on the other hand has sought not the revival of the European community but the perpetuation of conditions there most favorable for the extension of its control.

The issue in regard to Europe is as simple as that. It is the cause of the present division which tragically stares at us from the map of Europe today. It has been the underlying reason for the failure to agree on a peace settlement for Germany and Austria.

Against this background the European Recovery Program represents no new departure in United States policy towards Europe. It is merely the application of that same policy to conditions as they exist today.

Through no fault of the United States, or any of the participating countries, only 16 European nations plus the area of Germany under western occupation have felt free to join in the cooperative effort for the restoration or, more accurately, the continuance of their civilization. The original suggestion of Secretary Marshall on June 5th of last year for a joint European program for recovery contained no geographic or political limitations, nor did the original invitation by the British and French Governments to the Paris conference last summer. The fact that only 16 and not all of the European nations are involved in this great constructive endeavor is the responsibility of the Soviet Government. Soviet refusal and outright opposition, however, must not and will not prevent this great effort from going forward.

We know now that we cannot count today upon any assistance from the Soviet Union or groups politically subservient to it in the task of European reconstruction. On the contrary, we know that the disruption of this program is high on the list of immediate Soviet objectives. This is not a mere supposition, but a matter of public record in the form of a declaration by one of the leading officials of the Soviet Union. This opposition has been reflected in word and deed by the Communist parties of Europe and of the world.

I think it worthwhile to digress briefly, to point out that when we use the term communism, we need to know just what we mean. Alertness to the threat represented by a highly organized group whose loyalties are to a foreign government rather than to their own country does not in any sense warrant a witch-hunt. Any loose definition of communism which would embrace progressive or even radical thought of native origin is not only misleading but actually dangerous to the foundations of any democratic society. Confusion on this issue and the suspicion which can be sown between Americans of different political views but of equally sincere patriotism would be of great advantage to the Communist purpose. In fact, such confusion and suspicion are a by-product of the Communist movement which is welcomed by its leaders, who cultivate "muddying the waters" as a fine art.

The economic recovery program now before the Congress is the latest concrete manifestation of our policy directed towards the restoration of the European community. No other step in our foreign relations has received closer analysis or more careful study than the measure that the President has recommended. During the hearings before Congress, every aspect of this proposal and its effect upon the United States and its foreign policy will unquestionably and quite rightly be explored by the Congress.

It is obviously impossible in one short speech to attempt to discuss the multiplicity of detail involved in this undertaking. Nothing approaching it in scope and magnitude—affecting the daily lives of millions of people and involving the resources of continents—has ever been attempted for peaceful purposes in the world's history.

To begin with, the representatives of 16 European countries with different languages, institutions, economics, and currencies met to-

gether in Paris and analyzed the needs and potentials of these countries, in terms of commodities, production, manpower, trade, and finances, and then projected these estimates four years into the future. These estimates were then carefully appraised in relation to each other and to world supplies, and were correlated into a comprehensive program which was presented to the United States Government for its consideration. As a statistical feat alone, the Paris report ranks as a major accomplishment, but it was much more than that. It outlined a course of action calculated to enable these 16 countries and western Germany, over a four-year period, to achieve a reasonable standard of living which could be sustained without further abnormal assistance from abroad.

Even the full achievement of the ambitious goals set by the Paris report—most of them calling for production surpassing that prevailing before the war—would hardly restore the European standard of living to prewar levels. The reason for this is that the European countries have been forced to liquidate most of the foreign investments and have lost the shipping fleets that formerly helped pay for imports, while their combined population has increased almost 10 percent. Britain, for example, must surpass its prewar exports by an estimated 75 percent in order to sustain its present population. Evidence like this makes it clear that the recovery program envisaged by the Paris report represents neither merely an appeal for continued relief nor an attempt to enable Europe to enjoy a life of ease.

The Paris report emphasized that the maximum collective effort of the European countries could not succeed without this additional support and that prompt action was essential in order to prevent a rapid deterioration of Europe's already precarious situation.

When the Paris report reached this Government, the Krug, Nourse, and Harriman committees were concluding their studies, at the direction of the President, of the probable effect of foreign aid on the economy and resources of the United States. More than 200 members of Congress had visited Europe to obtain first-hand information on conditions there. The Executive branch had organized a corps of specialists from the various departments and agencies to carry out the mass of

detailed technical work in connection with the program.

These experts subjected the Paris report to searching analysis. They scrutinized the Paris recommendations especially in respect to the ability of the Europeans to make full use of their own resources and the estimated requirements for imported goods in relation to availability of specific commodities in the United States and other sources.

The American authorities found the Paris report essentially correct in its appraisal of the recovery program and the proposed lines of remedial action. There were numerous imperfections of detail, and our working parties in Washington made many revisions in the estimates presented to them. These defects in detail, however, did not invalidate the Paris report as a starting point of a genuinely cooperative program of recovery. The point I wish to emphasize is that the program submitted to Congress by the President, while based primarily upon the report of the Paris conference, represents independent and expert American judgment which took into account every scrap of available relevant information. Moreover, the evolution of the program to date constitutes a triumph of the democratic process in both national and international affairs. It is an inspiring and challenging cooperative undertaking that has been worked out on both sides of the Atlantic amid open debate and discussion, which will continue during consideration of the President's recommendations by Congress.

An essential element in this long-term recovery program is its aim to terminate as rapidly as possible Europe's dependence upon the United States for assistance. Its purpose is to bring about conditions under which Europe's overseas needs would be met through the operations of normal international trade and not through extraordinary help from outside sources.

This objective, of course, is the exact opposite of any imperialistic design. An imperialist country aims to keep others dependent upon it. This program aims at assuring Europe's complete and lasting independence. To American ears, it must sound completely unreal to hear this program denounced as imperialism when the American people know they are being asked

to make sacrifices with no immediate prospect of return and certainly no possibility for profit. In fact, one of the chief obstacles to public understanding of the program in this country is the difficulty some experience in understanding why we should expend large amounts of our substance, in the form of dollars and goods, when all that we can expect in return is expressed in intangibles. What we must realize is that these intangibles—the dividends we will receive in terms of peace, security, well-being, and the right to live in the kind of world we desire—represent values perhaps even more real because they cannot be expressed directly in terms of money.

The President has proposed a program estimated to require a total of about 17 billion dollars over four and a quarter years, ending in the middle of 1952. Of this amount, 6.8 billions would be provided in the first 15 months, beginning next April 1, with a progressively smaller expenditure during the next three years. The money would be used by the 16 participating countries and western Germany to pay for necessary imports, which would be bought in Latin America, Canada, and other parts of the world as well as in the United States, in order to lessen the drain on this country as much as possible. The funds will be made available both as free grants and loans, with ability to repay as the determining factor in each case.

The countries receiving our aid will sign an agreement among themselves formalizing their undertakings set forth in the Paris report, and will sign separate bilateral agreements with this country reaffirming these commitments and adding others which will vary in individual cases. Among other things, the European countries will be asked to agree to set aside amounts of their own money equal to grants from the United States, and use these special funds to stabilize their currencies and combat inflation. Those countries having exportable supplies of raw materials suitable for our stockpiling program will agree to make such materials available to us.

These are some of the prominent features of the proposed program. More fundamental, however, are two questions with which, I believe, the American people are primarily concerned. One is: What will be the effect of this far-reaching measure on

the internal economy of the United States? This aspect of the matter has been uppermost in the minds of the authors of this proposal from the beginning, as evidenced by the President's appointment of the three committees to explore that subject thoroughly.

The general conclusion of the Krug, Nourse, and Harriman groups, after the most intensive study, was that a program of this magnitude could be safely undertaken by this country without undue strain upon our internal economy or damaging depletion of our natural resources. These conclusions will undoubtedly be subjected to the closest scrutiny by the Congress. There is one factor in this connection, however, that can be stated now: That is, that under the first year of the proposed program, for which proportionately the largest annual appropriation is being asked, the total export of United States products will not exceed the level of similar exports in 1947. This in effect means that no greater quantity of American commodities will be diverted through export from the American domestic supply than during the preceding two years, when our people enjoyed the highest standard of living in history. Viewed in this light, the program will not by itself add to the existing pressures on American sources of supply.

Another basic question is: Will this program succeed in establishing a genuine recovery of western Europe? On this point, Secretary Marshall has referred to the program as a calculated risk. Even under the best of circumstances, the imponderables of any long-range program of this character—such as future agricultural conditions and other natural phenomena, to say nothing of the political and human factors involved—make it impossible to guarantee automatic success.

In so far as it is humanly possible to do so, however, the program contemplates, with a good chance of success, the laying of a solid foundation for European recovery which would definitely end the dependence of western Europe on the United States for extraordinary aid. In this sense, it is not only a recovery program but a blueprint for European economic independence.

The opponents of recovery in Europe seem to have little doubt of the feasibility of the European recovery program. They are indeed fearful of its success. Otherwise it would be inconceivable that so much time and energy would be devoted to a con-

certed assault by word and deed on the cooperative proposal to unite the strength of the United States with that of the participating countries in order to assure the recovery of Europe.

We are all in agreement, I think, that the continuance of piecemeal relief rather than a program of genuine recovery would be possibly the worst way of dealing with the situation. Secretary Marshall said at Harvard last June 5th that any such measure "should provide a cure rather than a mere palliative". The decision now rests with the United States—its people and its Congress.

The war and its aftermath imposed upon this country a vast responsibility for the future of the world. History has placed us in a position of world leadership which, since we have a large measure of choice, we can either accept or refuse to recognize.

I do not believe that there is any danger that the United States will shrink from this responsibility and turn its back on the outside world by refusing to do anything in the present circumstances. The issue is rather whether or not we will take prompt and effective action in meeting this responsibility or whether the tragic specter of too little and too late will be the judgment of history.

I do not believe it is necessary here in the State of Wisconsin, which has benefited so much by the energetic and progressive settlers from the continent of Europe, to elaborate on the vital stake the United States has in the preservation of a free and prosperous Europe or what that means to the United States. There is no need to justify to you the main objectives of this program or to dwell on what its success will mean to the security, prosperity, and every day well-being of the citizens of this country.

Certainly there are risks, but this country has not grown to greatness by the avoidance of risks. We must calculate most carefully what we can afford to do, but we must calculate even more carefully what we cannot afford *not* to do.

The risks and burdens which this country will assume in adopting the European Recovery Program have been calculated. The consequences of failure to meet this challenge and to act boldly and decisively in our enlightened self-interest might well be incalculable.

If western Europe, as we know it, falters and goes under, such a cataclysm would automatically

bring about a radical change for the worse in the position of the United States in the world. The cost to our people for the requirements of national security alone would in all probability far exceed in a single year the full amount now asked for the entire European Recovery Program. Even beyond this the pressures, economic and political, to which this country would be subjected would place an intolerable strain on the American way of life as we know it. In elementary self-preservation in such a situation it is doubtful if we could afford the political liberties which have been the cornerstone of our democracy and our greatness. Our liberty of choice in both foreign and domestic affairs which is always the hallmark of a free people would at least be seriously curtailed. Our development as a country would not proceed as in the past by the free response of the American people in accordance with our national traditions but would in large measure be forced upon us not by our own choice but by the pressures emanating from a hostile world.

In the present critical world situation, the proposed program offers us the best chance for the eventual achievement of a stable and peaceful world. It is certainly the best chance—and it may be the last.

Expression of Gratitude From Austria for Interim Aid

The Secretary of State received on January 3, 1948, the following message from the Austrian Government, which is being acknowledged by the Secretary of State through the American Legation in Vienna

On the occasion of the signature of the agreement concerning Interim Aid to Austria, we wish to express to you the sincerest gratitude of the Federal Government and should be grateful to you for conveying the warmest thanks of Austria to His Excellency, the President of the United States, and to the American people.

LEOPOLD FIGL, Chancellor
KARL GRUBER, Foreign Minister

Economic Accomplishments of the General Assembly

BY WILLARD L. THORP¹

Assistant Secretary for Economic Affairs

. . . The daily newspapers deal in large measure with the spectacular events of today and yesterday. The eruption of a volcano will be described on page one, but you will find no progress report on the formation of a coral island.

. . . There were few headlines about the economic discussions at the Second Session of the General Assembly. There was the work of Committee II, but, so far as the Assembly itself was concerned, economic debates occupied a relatively minor portion of its time. This is in no way surprising. The economists were rather proud not to make the headlines. To achieve international cooperation in solving problems of an economic and social nature is not a matter of periodic and dazzling leaps. Progress is made chiefly as the result of steady, day-to-day application to specific problems. The individual problems are often technical and may seem fairly limited in their significance, but their cumulative importance is fundamental.

This necessity for intensive work in the economic field has in fact been recognized in the evolving structure of the United Nations and its agencies. The recent Assembly established in the political field four commissions . . . but there are already in existence more than a dozen U.N. commissions and subcommissions to consider various problems in the economic and social fields under the supervision of the Economic and Social Council. To these bodies, and particularly to the specialized agencies, which are related to the U.N. through the Ecosoc, the job

of bringing about international cooperation in their respective areas has been entrusted.

The very fact that the volume of debate on economic topics was less at the second General Assembly than at the first is an indication that these subsidiary and specialized bodies are moving through their organizational phases and themselves coming to grips with the substantive international problems with which they are charged. . . .

This whole system of diversified operation was severely challenged at the last Assembly. In the first round of speeches, there were a number of expressions of dissatisfaction with the work of the Economic and Social Council, which some speakers felt had very few concrete accomplishments to which it might point. . . . The Council has a membership of 18 so that most of the countries represented at the General Assembly had no first-hand knowledge of its operations. For this reason the discussion of whether Ecosoc was doing its job properly was valuable as a method of reemphasizing what that job should be.

The discussions served to make it clear that Ecosoc is not itself to be in any sense an operating organ of the United Nations; it is rather to supervise the multifarious international activities in the economic and social fields. In this connection it has two main functions: first, to coordinate the

¹ Excerpts from an address made before the American Association for the United Nations, Inc., at New York, N. Y., on Jan. 10, 1948, and released to the press on the same date. William Fowler of the U.S. Mission to U.N. read the address for Mr. Thorp.

work of its own commissions and of the specialized agencies so that possible conflicts may be resolved and duplication of effort, particularly in research and staff work, may be avoided; and secondly, to stimulate work by these bodies in fields which may seem from time to time to be neglected.

In reemphasizing these functions, the Assembly discussions pointed the way to the conclusion that criticism of Ecosoc for its failure to move mountains was at least premature. The specialized agencies and the commissions of the Council have not gone so far in their own substantive work to make overlapping or duplication an urgent problem. Moreover, it was pointed out that analysis of a problem by two different bodies from two different points of view was likely to be more helpful than damaging and that liaison between secretariats was the primary instrument for guarding against inefficient repetition of basic information gathering and research. It also became apparent that until the commissions and specialized agencies had time to launch their own substantive projects it was not appropriate for the Economic and Social Council to urge specific projects upon them, as this would come close to usurping the functions for which they were created.

The effect of the discussion of this subject will, I am sure, be a healthy one. As I have mentioned, there is now a more wide-spread awareness of what the Ecosoc is supposed to do and, equally important, of what it is supposed to leave in the first instance to other groups. But the debate and the resolution also put Ecosoc and the specialized agencies on notice that, as the formative period comes to an end and the various bodies begin to operate on their own power, the General Assembly will be looking at them closely and critically and will be expecting results. This machinery is really an extraordinary experiment. It must be watched closely and will certainly be susceptible of improvement. We must find just the right coefficient of impatience—one which will maintain the feeling of urgency, yet will not lead to discouragement.

The Assembly also recommended that Ecosoc should consider at least once a year, and at other times if deemed necessary, a survey of world economic conditions and trends, together with a study of major dislocations of supply and requirements.

This report is expected also to include recommendations for remedial action by the Assembly, by member states, and by specialized agencies. The need for a survey of this nature had already been considered by the Council, which had assigned the task to its Economic and Employment Commission. The Assembly resolution increases the importance and dignity of this survey, which would seem likely to become a major topic on the agenda of at least one session of the Council each year. As yet the Economic and Social Council has never indulged in an effort to achieve an agreed analysis of any major economic phenomenon. It should be a most interesting experience.

The Assembly also provided for an annual report by the Secretary-General on the action which the various member states may have taken to give effect to recommendations of the Ecosoc and of the General Assembly in the economic and social field.

The original proposal made by the Polish Delegation contained provisions requiring the exclusive use of U.N. machinery in settling fundamental international economic problems, and calling on member states to avoid the use for such purposes of machinery outside the United Nations. These proposed provisions were aimed at the work of the Committee of European Economic Co-operation, which had been formed as a result of Secretary Marshall's Harvard speech and had just completed its report. The address of Dr. Lange, the Polish Delegate, was a specific and vigorous attack on the Committee of European Economic Co-operation. His thesis that "prosperity is indivisible" was an excellent one but seemed to be most appropriate when applied to the retreat from Paris.

The response to his position was prompt and equally vigorous. In the ensuing discussion, delegates from various countries represented on the Committee of European Economic Co-operation argued against a mandatory requirement for exclusive reliance on U. N. machinery in all international economic dealings. It was made clear that the creation of the United Nations organization had not been intended to, and should not, outlaw direct dealings between countries. Moreover, so far as concerned the specific case of the Committee of European Economic Co-operation,

it was pointed out that all European countries except Spain had been asked to participate, that only the eastern European countries had refused, and that their refusal had not been based on a failure to use U. N. machinery but on the alleged infringement of national sovereignty by the proposed international cooperation.

United States participation in this particular debate was limited, because the target of criticism was the Committee of European Economic Co-operation and because defense of this body was more appropriately the task of representatives from among its members. There can be no question but that the European Recovery Program is thoroughly consistent with the purposes of the United Nations. It therefore in no way tears down any of the principles of the Charter. Whether or not such an operation should be carried on directly through the United Nations is a matter of choice by the nations concerned. In this instance the European nations felt under a great urgency. The United Nations had no agency established for this type of task, and, it should be remarked, the first session of the Economic Commission for Europe, which was almost contemporaneous, failed even to complete its agenda. Furthermore, five of the participating countries have not been admitted to the United Nations, and certain United Nations countries in Europe have refused to cooperate.

However, the United Nations agencies should also carry a most important share in accomplishing the goal of European recovery. The Economic Commission for Europe already has important tasks in various fields, notably coal, inland transport, and certain chemicals. The FAO has a real concern with the food and fertilizer problems. The International Bank for Reconstruction and Development and the International Monetary Fund must both be closely related to the processes of recovery. This is no project outside the United Nations. Much of its success will depend upon the contributions made by these agencies. And the achievement of European recovery will in turn greatly increase the opportunities and effectiveness of the U. N. agencies.

At the last session the debates indicated once again the major concern of many member states with the matter of economic development. It becomes increasingly apparent in the meetings of the various U. N. economic bodies that this topic will

command over the next few years a large portion of the attention of specialized agencies, of the Ecosoc and its commissions, and of the Assembly itself.

The problem of economic development has various aspects, and the emphasis given by different countries to different methods of approach and to different schedules of relative priorities appeared time and again in the opening debate in Committee II. This eagerness for industrialization and diversification has formed the foundation of the proceedings in the Economic Commission for Asia and the Far East, has arisen constantly in discussion of the formation of a similar commission for Latin America, and was of course paramount in the recent session of Ecosoc's Subcommittee on Economic Development. The desire of these countries to be permitted free use of infant industry protection is currently one of the most important issues before the Conference on Trade and Employment, which is working at Habana to create an International Trade Organization.

Today economic blocs tend to form along lines of degree of economic development, with the largest group those who regard themselves as underdeveloped countries. Earlier sessions paid particular attention to the countries devastated by the war. This was, of course, to be expected. From a humanitarian point of view, relief programs for these countries was a matter of first concern, and this state of mind was reflected in the consideration of economic reconstruction as well. However, the enormous scope of any reconstruction program has become apparent, and it is now realized that the needs of reconstruction alone can absorb huge quantities of materials, supplies, and resources for a long time to come. It is at this point that some other countries begin to raise questions.

For example, even before the war many of the Latin American countries felt that their well-being was hampered by a relatively low level of economic development. Many had become increasingly aware of the desirability of expanding their activities in this field and had taken steps to promote both industrial and agricultural development. During the war great efforts were made to expand Latin American production of a variety of materials, and in that period of emer-

agency shortages it was often impossible or undesirable to carry out a balanced development program. In this area, therefore, though there was no direct war devastation, the war years did not permit steady progress in a planned and orderly process of economic development, and the countries involved feel that much remains to be done. They wish to move ahead without delay on this unfinished task, which it is recognized will be substantially speeded up by assistance from abroad.

A similar problem exists in Asia. The war resulted in severe material damage in many areas, though by and large the destruction to industrial plant did not compare with that in Europe. But, more important, the war accelerated the transition from colonial to independent status, and the new governments in that area are rightly eager to launch programs for their own economic development and, in support of those programs, to draw upon other parts of the world for assistance in money and in goods. The same desire exists in the Middle East and in other areas that have been in the past relatively undeveloped from an economic point of view.

The cumulative effect of this desire for economic development is an enormous demand for money and for goods. The demand is vigorously pressed because the desire is urgent, and no area or country is predisposed to subordinate to another what it feels to be its own legitimate needs. Much of this is not very realistic. Imaginations reach much further than documented projects. And there is little realization of the many elements which must be developed more or less simultaneously to achieve industrialization and diversification. But no one can argue with the objectives. It is the course of economic progress.

But let us return to the problem of nations like those of western Europe, which before the war had high levels of production and economic activity but which suffered enormous material losses by way of military destruction, exhaustion, obsolescence, and want of upkeep. It is persuasively argued that the world-wide demand for goods is so large, so out of proportion to present availabilities, that the first step in a general raising of the economic level should be the rehabilitation of existing plant in areas

(Continued on page 95)

Interim Committee of the General Assembly: The Problem of Voting in the Security Council¹

UNITED STATES DRAFT RESOLUTION

WHEREAS the General Assembly, in its resolution of 21 November 1947, requested the Interim Committee, in accordance with paragraph 2 (a) of the resolution of the General Assembly of 13 November 1947, establishing the Committee, to:

"1. Consider the problem of voting in the Security Council, taking into account all proposals which have been or may be submitted by Members of the United Nations to the second session of the General Assembly or to the Interim Committee;

"2. Consult with any committee which the Security Council may designate to co-operate with the Interim Committee in the study of the problem;

"3. Report, with its conclusions, to the third session of the General Assembly, the report to be transmitted to the Secretary-General not later than 15 July 1948, and by the Secretary-General to the Member States and to the General Assembly."²

The Interim Committee, to give effect to the request of the General Assembly,

Requests the Members of the United Nations, which desire to submit proposals on the problem of voting in the Security Council, to transmit them to the Secretary-General on or before 15 March 1948;

Requests the Secretary-General to circulate any and all such proposals immediately upon receipt thereof to all Members of the United Nations;

Requests the Chairman of the Interim Committee to bring up for consideration the problem of voting in the Security Council when the Secretary-General shall have ascertained that all Members desiring to do so have submitted proposals, but in any case not later than 15 March 1948.

¹ U.N. doc. A/AC 18/3, Jan. 5, 1948, adopted on Jan. 9, 1948, by a vote of 39 to 1. Reissued as A/AC 18/11, Jan. 12, 1948.

² BULLETIN of Dec. 7, 1947, p. 1077.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Activities and Developments

Report on the First Consultation of the Commission on History

ARTICLE BY ARTHUR P. WHITAKER

Delegations representing 19 American governments took part in the First Consultation of the Commission on History of the Pan American Institute of Geography and History at Mexico City from October 18 to 26, 1947. The only American republics not represented were Chile and Paraguay. There were also observers from other governments and from the United Nations, the United Nations Educational, Scientific and Cultural Organization, the Pan American Union, and the Pan American Institute of Geography and History; and about 50 delegates representing universities and learned societies. Only government delegates (one for each member state) had the right to vote, but all delegates were entitled to participate in the discussions.

Purposes and Program

The main purposes of the meeting were to organize the Commission on History on a permanent basis and to plan its future activities. This is one of the three commissions (one each on cartography, geography, and history) through which most of the activities of the Pan American Institute of Geography and History are now carried on. The Commission on History was created by resolution XXVII of the Fourth General Assembly of the Institute at Caracas, August 25–September 1, 1946. This resolution outlined the purposes and structure of the Commission and entrusted its preliminary organization to the Government of Mexico through the Instituto Nacional de Antropología e Historia of that country.

Permanent Organization

The first of the two main purposes of the Mexico City meeting was accomplished by the adoption

of a permanent organization and by-laws. Silvio Zavala, Mexican historian and Acting Chairman of the Commission, was confirmed as Chairman. Provision was made for an executive committee, special committees, a secretariat, and periodic consultative meetings of the full Commission, to be held at intervals of one or two years. The next meeting was scheduled to be held at Santiago, Chile, in 1950 in connection with the Fifth General Assembly of the Pan American Institute of Geography and History. It was felt that on this first occasion the interval should be somewhat longer than the statutory "one or two years" in order to provide adequate time for initial work on the numerous projects adopted by the Mexico City meeting.

Permanent Committees

The second purpose of the Mexico City meeting—the planning of the program of activities of the Commission on History—was carried out mainly within the framework of the four permanent committees of the Commission, which were created at the Institute's Caracas assembly of 1946. Each of these committees was set up under the auspices of a particular country, but all of them retain an international character and remain dependencies of the Commission. The Mexico City meeting defined their composition more precisely by stipulating that each committee shall have active members in five or six of the American states and corresponding members in the rest, so that all the American states will be represented on the committees.

The four committees created at Caracas, and

the countries to which they were assigned, are as follows: Committee on the Origins and Development of the Independence Movement and the Congress of Panama, Venezuela; Committee on the History of the Americas and the Revision of Text Books, Argentina; Committee on Archives, Cuba; Committee on Folklore, Peru. The meeting of the History Commission generally followed the committee pattern in the conduct of its discussions, dividing itself into four sections, each of which corresponded to one of the four committees.

Resolutions Adopted

The new Commission conducted its discussions on a professional level, and its decisions were marked by moderation, realism, and breadth of vision. The results of the meeting are set forth in the final act, which consists of three parts, namely, resolutions, by-laws, and budget. Of the 34 resolutions contained in the final act, only the last four (nos. XXXI-XXXIV) relate directly to the four committees and constitute the core of the document.

Independence Movement

The resolution (no. XXXI) on the Caracas Committee on the Independence Movement recommended that the Committee's attention be concentrated on the preparation and publication of two bibliographies: one of the origins and development of the independence movement, and the other of the Congress of Panama, 1826. In accordance with recent trends in historical writing, the Committee was also advised to promote the study of economic and social factors in the independence movement. The purpose of this recommendation was to break the quasi-monopoly of historical writing on this subject which has been exercised by military campaigns and the careers of Bolívar and a few other *próceres*.

History of the Americas

The results are set forth in resolution XXXII. This resolution contains two declarations on the History of the Americas, the first of which states the purposes of the "History" and provides, among other things, that the "History" shall in no sense be official, that the Commission

on History shall intervene in the preparation of it only as promoter of the project, which shall be carried out by scholars, and that the authors of the various parts of the work shall enjoy the most complete freedom of opinion.

The second declaration, which deals with procedure, reinforces the foregoing stipulations and also provides ample time for the preparation of the plan of the "History of the Americas" and ample opportunity for discussion of the plan before it can be approved and carried into effect. Thus, the plan is first to be formulated by the Buenos Aires Committee on the basis of consultation with national members and other scholars throughout the Americas. The plan is then to be communicated to the national members at least six months in advance of the next meeting of the Commission and the Institute at Santiago, Chile, in 1950. At this meeting the plan will be considered for adoption, modification, or rejection. If it is adopted, steps may then be taken to engage contributors; but arrangements for publication are not to be made before a report on the manuscripts received has been made to the next General Assembly of the Institute, which is scheduled for 1954.

Revision of Textbooks

No substantive action was taken on the revision of textbooks, but the Buenos Aires committee was instructed to report to the national members at least six months in advance of the Santiago assembly of 1950 on the existing regulations and agreements regarding the revision of textbooks and to present both to the national members and to this assembly its own suggestions for action.

A reservation was entered by the Chairman of the United States Delegation to the effect that the United States Government cannot intervene in the revision of textbooks.

Folklore and Anthropology

The resolution (no. XXXIII) drafted by the third section—the one corresponding to the Peruvian Committee on Folklore—suggested that the Commission on History study the question of establishing a Committee on General Anthropology. This action would bring the number of permanent committees to five and would fill a gap left by the Caracas assembly of the parent Institute when it

created the Commission on History and its dependent committees.

In addition, the third section recommended that the Committee on Folklore study the possibility of publishing guides and manuals in that field and promote the collection of folk music.

Archives

The resolution (no. XXXIV) emanating from the fourth section, on archives, falls into two main parts: one proposing the establishment of National Councils on Archives, in connection with the Commission's Committee on Archives (Cuba), and enumerating the activities in which they should engage; the other outlining a program of activities for the Cuban committee itself. The national councils are to concern themselves with internal, domestic matters and the Cuban committee is to serve as a central coordinating agency for the national councils. Both are to study such matters as the preservation, organization, and publication of archives and the reproduction of documents for the use of scholars.

Other Commission Actions

There were a number of resolutions which encouraged the broadening of the concept of history in accordance with current trends, as well as resolutions relating to social and economic history. Others related to various aspects of cultural history, particularly historiography (resolution I), the history of American universities (resolution XII), and the history of "ideas, thought, and philosophy" (resolutions XVI, XVII, and XVIII).

Various provisions were made looking toward the more systematic use of the *Revista de Historia de América* for the dissemination of news notes and articles relating to the activities of the Commission on History and its committees. Formerly published under the general authority of the Institute, this journal has been placed under the Commission on History since its establishment, and the Institute makes a contribution to the Commission's budget for support of the publication.

This meeting of the Commission was strongly marked by a recognition of the interdependence of the American states with the rest of the world and by a desire to cooperate with indi-

viduals and agencies outside the immediate region, particularly through the United Nations. For example, the Commission resolved to cooperate with UNESCO, offered its cooperation to that body (resolution XIX), and took steps to establish immediate contact with UNESCO in the preparation of the Buenos Aires committee's report on the revision of textbooks. Other illustrations are the article in resolution XXXI authorizing the Caracas Committee on the Independence Movement to solicit the cooperation of historians in non-American countries and resolution XXIII, which directs the Executive Committee of the Commission to study, in the light of the decisions taken by the forthcoming Ninth International Conference of American States at Bogotá, the relations that ought to exist between the Commission on History and the non-American nations which are interested in the history of the Americas. In short, while it was the consensus that inter-American cooperation can be of great value in promoting the study of the history of the Americas, there was not the slightest tendency toward an exclusive regionalism in this matter.

The budget for 1948 tentatively adopted by this meeting was fixed at 123,180 Mexican pesos, of which 50,000 pesos were to be contributed by the Mexican Government and 45,000 pesos by the Institute (for the support of the *Revista de Historia de América* and other publications), leaving a deficit of 28,180 pesos. It seems reasonable to expect that this small deficit would be made up either from an increase of quotas as a result of the Bogotá conference or, failing that, from some other source.

Conclusion

The new Commission on History made a very successful start at its first consultative meeting. It adopted a sound program which augurs well for the future development of its activities. These activities can be of considerable value to the member states and to the international group of scholars interested in the history of the Americas. Government support enables scholars to carry on cooperative studies which would otherwise be difficult, if not impossible; and cooperative enterprises of this kind among scholars from various countries are one of the best means of attaining international good-will and understanding.

THE RECORD OF THE WEEK

The State of the Union

MESSAGE OF THE PRESIDENT TO THE CONGRESS¹

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE
80TH CONGRESS:

We are here today to consider the state of the Union.

On this occasion, above all others, the Congress and the President should concentrate their attention not upon party but upon country; not upon the things which divide us but upon those which bind us together—the enduring principles of our American system, and our common aspirations for the future welfare and security of the people of the United States.

The United States has become great because we, as a people, have been able to work together for great objectives even while differing about details.

The elements of our strength are many. They include our democratic government, our economic system, our great natural resources. But these are only partial explanations.

The basic source of our strength is spiritual. For we are a people with a faith. We believe in the dignity of man. We believe that he was created in the image of the Father of us all.

We do not believe that men exist merely to strengthen the state or to be cogs in an economic machine. We do believe that governments are created to serve the people and that economic systems exist to minister to their wants. We have a profound devotion to the welfare and rights of the individual as a human being.

The faith of our people has particular meaning at this time in history because of the unsettled and changing state of the world.

The victims of war in many lands are striving to rebuild their lives, and are seeking assurance that the tragedy of war will not occur again. Throughout the world new ideas are challenging the old. Men of all nations are re-examining the beliefs by which they live. Great scientific and industrial changes have released new forces which will affect the future course of civilization.

The state of our Union reflects the changing nature of the modern world. On all sides there is heartening evidence of great energy—of capac-

ity for economic development—and even more important, capacity for spiritual growth. But accompanying this great activity there are equally great questions—great anxieties—great aspirations. They represent the concern of an enlightened people that conditions should be so arranged as to make life more worthwhile.

We must devote ourselves to finding answers to these anxieties and aspirations. We seek answers which will embody the moral and spiritual elements of tolerance, unselfishness, and brotherhood upon which true freedom and opportunity must rest.

As we examine the state of our Union today, we can benefit from viewing it on a basis of the accomplishments of the last decade and our goals for the next. How far have we come during the last ten years and how far can we go during the next ten?

It was ten years ago that the determination of dictators to wage war upon mankind became apparent. The years that followed brought untold death and destruction.

We shared in the human suffering of the war, but we were fortunate enough to escape most of war's destruction. We were able through these ten years to expand the productive strength of our farms and factories.

More important, however, is the fact that these years brought us new courage and new confidence in the ideals of our free democracy. Our deep belief in freedom and justice was reinforced in the crucible of war.

On the foundations of our greatly strengthened economy and our renewed confidence in democratic values, we can continue to move forward.

There are some who look with fear and distrust upon planning for the future. Yet our great national achievements have been attained by those with vision. Our Union was formed, our frontiers were pushed back, and our great industries were built by men who looked ahead.

I propose that we look ahead today toward those goals for the future which have the greatest bearing upon the foundations of our democracy and the happiness of our people.

I do so, confident in the thought that with

¹ Excerpts from the message delivered by the President before a joint session of the Congress on Jan. 7, 1948, and released to the press on the same date by the White House.

clear objectives and with firm determination, we can, in the next ten years, build upon the accomplishments of the past decade to achieve a glorious future. Year by year, beginning now, we must make a substantial part of this progress.

Our first goal is to secure fully the essential human rights of our citizens.

The United States has always had a deep concern for human rights. Religious freedom, free speech, and freedom of thought are cherished realities in our land. Any denial of human rights is a denial of the basic beliefs of democracy and of our regard for the worth of each individual.

Our second goal is to protect and develop our human resources.

The safeguarding of the rights of our citizens must be accompanied by an equal regard for their opportunities for development and their protection from economic insecurity. In this Nation the ideals of freedom and equality can be given specific meaning in terms of health, education, social security, and housing.

Another fundamental aim of our democracy is to provide an adequate education for every person.

Our educational systems face a financial crisis. It is deplorable that in a Nation as rich as ours there are millions of children who do not have adequate schoolhouses or enough teachers for a good elementary or secondary education. If there are educational inadequacies in any State, the whole Nation suffers. The Federal Government has a responsibility for providing financial aid to meet this crisis.

The Government's program for health, education, and security are of such great importance to our democracy that we should now establish an Executive department for their administration.

Our fourth goal is to lift the standard of living for all our people by strengthening our economic system and sharing more broadly among our people the goods we produce.

Our fifth goal is to achieve world peace based on principles of freedom and justice and the equality of all nations.

Twice within our generation, world wars have taught us that we cannot isolate ourselves from the rest of the world.

We have learned that the loss of freedom in any area of the world means a loss of freedom to ourselves—that the loss of independence by any na-

tion adds directly to the insecurity of the United States and all free nations.

We have learned that a healthy world economy is essential to world peace—that economic distress is a disease whose evil effects spread far beyond the boundaries of the afflicted nation.

For these reasons the United States is vigorously following policies designed to achieve a peaceful and prosperous world.

We are giving, and will continue to give, our full support to the United Nations. While that organization has encountered unforeseen and unwelcome difficulties, I am confident of its ultimate success. We are also devoting our efforts toward world economic recovery and the revival of world trade. These actions are closely related and mutually supporting.

We believe that the United States can be an effective force for world peace only if it is strong. We look forward to the day when nations will decrease their armaments. Yet so long as there remains serious opposition to the ideals of a peaceful world, we must maintain strong armed forces.

The passage of the National Security Act by the Congress at its last session was a notable step in providing for the security of this country. A further step which I consider of even greater importance is the early provision for universal training. There are many elements in a balanced national security program, all inter-related and necessary, but universal training should be the foundation for them all. A favorable decision by the Congress at an early date is of world importance. I am convinced that such action is vital to the security of this Nation and to the maintenance of its leadership.

The United States is engaged today in many international activities directed toward the creation of lasting peaceful relationships among nations.

We have been giving substantial aid to Greece and Turkey to assist these nations in preserving their integrity against foreign pressures. Had it not been for our aid, their situation today might well be radically different. The continued integrity of those countries will have a powerful effect upon other nations in the Middle East and Europe struggling to maintain their independence while they repair the damages of war.

The United States has special responsibilities with respect to the countries in which we have occupation forces: Germany, Austria, Japan, and Korea. Our efforts to reach agreements on peace settlements for these countries have so far been blocked. But we shall continue to exert our utmost efforts to obtain satisfactory settlements for each of these nations.

Many thousands of displaced persons, still living in camps overseas, should be allowed entry into the United States. I again urge the Congress to pass suitable legislation at once so that this

Nation may do its share in caring for homeless and suffering refugees of all faiths. I believe that the admission of these persons will add to the strength and energy of this Nation.

We are moving toward our goal of world peace in many ways. But the most important efforts which we are now making are those which support world economic reconstruction. We are seeking to restore the world trading system which was shattered by the war and to remedy the economic paralysis which grips many countries.

To restore world trade we have recently taken the lead in bringing about the greatest reduction of world tariffs that has ever occurred. The extension of the provisions of the Reciprocal Trade Agreements Act, which made this achievement possible, is of extreme importance. We must also go on to support the International Trade Organization, through which we hope to obtain worldwide agreement on a code of fair conduct in international trade.

Our present major effort toward economic reconstruction is to support the program for recovery developed by the countries of Europe. In my recent message to the Congress, I outlined the reasons why it is wise and necessary for the United States to extend this support.

I want to reaffirm my belief in the soundness and promise of this proposal. When the European economy is strengthened, the product of its industry will be of benefit to many other areas of economic distress. The ability of free men to overcome hunger and despair will be a moral stimulant to the entire world.

We intend to work also with other nations in achieving world economic recovery. We shall continue our cooperation with the nations of the Western Hemisphere. A special program of assistance to China, to provide urgent relief needs and to speed reconstruction, will be submitted to the Congress.

Unfortunately, not all governments share the hope of the people of the United States that economic reconstruction in many areas of the world can be achieved through cooperative effort among nations. In spite of these differences we will go forward with our efforts to overcome economic paralysis.

No nation by itself can carry these programs to success; they depend upon the cooperative and honest efforts of all participating countries. Yet the leadership is inevitably ours.

I consider it of the highest importance that the Congress should authorize support for the European Recovery Program for the period from April 1, 1948, to June 30, 1952, with an initial amount for the first 15 months of \$6.8 billion. I urge the Congress to act promptly on this vital measure of our foreign policy—on this decisive contribution to world peace.

We are following a sound, constructive, and

practical course in carrying out our determination to achieve peace.

We are fighting poverty, hunger, and suffering. This leads to peace—not war.

We are building toward a world where all nations, large and small alike, may live free from the fear of aggression.

This leads to peace—not war.

Above all else, we are striving to achieve a concord among the peoples of the world based upon the dignity of the individual and the brotherhood of man.

This leads to peace—not war.

We can go forward with confidence that we are following sound policies, both at home and with other nations, which will lead us toward our great goals for economic, social, and moral achievement.

We are determined that the democratic faith of our people and the strength of our resources shall contribute their full share to the attainment of enduring peace in the world.

It is our faith in human dignity that underlies these purposes. It is this faith that keeps us a strong and vital people.

This is a time to remind ourselves of these fundamentals. For today the whole world looks to us for leadership.

This is the hour to re-dedicate ourselves to the faith in mankind that makes us strong.

This is the hour to re-dedicate ourselves to the faith in God that gives us confidence as we face the challenge of the years ahead.

Continuing Examination of Matters Relating to Japanese Reparations

[Released to the press January 5]

In response to requests for information regarding commitments made to other nations as to reparations from Japan, the Department of State can state categorically that the United States has made no secret agreements or commitments.

The question of the division of Japanese industrial facilities declared available for reparations has been under consideration in the Far Eastern Commission for nearly two years. During that period numerous suggestions by many members, including the United States, have been made in an attempt to arrive at a solution. None of these suggestions has been adopted.

In the hope of helping to reach an agreed international solution, the Department of State has proposed several specific schedules of percentage awards for all FEC members, to apply to

the distribution of available industrial assets from within Japan. These schedules have reflected the general political judgments of the Department of State as to the over-all contribution to victory over Japan, and losses suffered due to Japan's aggression, by each member country. All of these proposals have been rejected and therefore do not constitute commitments of the United States.

During 1946 the Far Eastern Commission declared certain industrial capacity in Japanese munitions and war-supporting industries to be clearly surplus to the peaceful needs of that country and to be available for removal as reparations. In view of the prolonged delays in reaching any decision at all on the distribution of Japanese reparations and in recognition of the urgent need for assistance in relief and rehabilitation in devastated Far Eastern countries, the United States Government in April 1947¹ directed the Supreme Commander for the Allied Powers to distribute 30 percent of the initially available reparations pool to the four principal war-devastated countries as follows:

China	15 percent
Philippines	5 "
United Kingdom (for Malaya Burma)	5 "
Netherlands (for Netherlands East Indies)	5 "

This unilateral directive constitutes the only United States policy now in force as to the distribution of Japanese reparations shares at this time.

Supply of Food for Civilian Consumption in Japan²

1. The Far Eastern Commission, having considered the question of the supply of food for civilian consumption in Japan in the light of—

a. the measures already taken by the Supreme Commander since the beginning of the occupation to improve Japan's production and distribution of indigenous food; and

b. the acute shortage of food which is not confined to Japan, but is causing serious hardship in countries which suffered as a result of Japanese aggression;

hereby adopts the following policies with respect to this matter.

2. The Supreme Commander should ensure, by all practicable means, that the Japanese Government take the necessary measures—

a. to attain the maximum production of indigenous food; and

b. to ensure equitable distribution of indigenous food supplies by maintaining and improving the system of collection, rationing, and price control.

3. In view of the acute world shortage, imports of food for Japan during the present crop year (November 1, 1947–October 31, 1948) should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area.

4. The Far Eastern Commission recommends to its member governments that they take all steps within their power to assist the implementation of this policy.

Belgium Signs German Enemy Assets Agreement

[Released to the press January 8]

The Department of State announced on January 8 that the Government of Belgium signed on January 5, 1948, the agreement relating to the resolution of conflicting claims to German enemy assets.

Belgium is the fourth country to sign, the other three countries, Canada, the Netherlands, and the United States, having signed the agreement on December 5, 1947. The agreement remains open for signature by the governments of the 14 other countries which are members of the Inter-Allied Reparation Agency. The agreement does not become binding on the United States until it has been approved by the Congress.

The Department made an announcement on December 4, 1947, giving details and text of the agreement and the earlier signatures.³

Norway Extended Time for Renewing Trade-Mark Registrations

The extension until June 30, 1948, of time for renewing trade-mark registrations with respect to Norway was granted by the President in Proclamation 2765 (13 *Federal Register* 111) on January 6, 1948.

¹ BULLETIN of Apr. 13, 1947, p. 674.

² Policy decision approved by the Far Eastern Commission on Dec. 11, 1947, and released to the press by FEC on Jan. 2, 1948. A directive based upon this policy decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

³ BULLETIN of Dec. 14, 1947, p. 1192. For text of the agreement and for an article on the subject by Ely Maurer and James Simsarian, see BULLETIN of Jan. 4, 1948, p. 3.

U.S.-Canadian Provisional Seal Agreement Signed

[Released to the press January 6]

The United States and Canada, by an exchange of notes dated December 26, 1947, have provided for the continuance of the present provisional fur-seal agreement between the two countries until a permanent convention can be arranged for the protection of the fur-seal herd of the North Pacific.

The original sealing convention for the protection and preservation of the fur-seal herd of the North Pacific Ocean was signed in 1911 by the United States, Great Britain, Japan, and Russia. In October 1941 this convention was abrogated by Japan. During the war the Governments of Canada and the United States felt it advisable that the two countries should continue the protection of the herd. They therefore entered into a provisional agreement for the duration of the emergency and twelve months thereafter in order to carry on the fur-seal conservation program during the war.

The fur-seal conservation program was designed to rehabilitate the stock of fur seals in the North Pacific, which had become seriously depleted by the practice of ruthless pelagic sealing. The original convention was intended to rebuild the herd, primarily by the prohibition of pelagic sealing. In 1912, the first year that the convention was in effect, the size of the Pribilof Islands herd was about 216,000; by sound conservation and management practices the herd has now increased to over 3,600,000, according to the annual census taken in August 1947. The sealing operations in these islands are administered by the Fish and Wildlife Service of the Department of the Interior. The herd is estimated to be worth in excess of \$100,000,000, and the fall 1947 semi-annual auction of fur-seal skins yielded gross proceeds to the Federal Government of over \$1,470,000.

The texts of the notes follow:

December 26, 1947

EXCELLENCY:

I have the honor to refer to conversations which have taken place between representatives of the Government of the United States of America and representatives of the Government of Canada with regard to the possibility of amending the Provisional Fur Seal Agreement between the United States and Canada effected by exchange of notes signed at Washington, December 8 and 19, 1942, with a view to assuring continuing protection of the fur seal herd.

I am glad to inform you that legislation has recently been enacted by the Congress of the United States of America which provides for the extension for an indefinite

period of existing laws for the enforcement of the Provisional Fur Seal Agreement. This Government will, therefore, continue to be in position to give full force and effect to the provisions of that Agreement.

Accordingly, the Government of the United States of America proposes that the final sentence of Article X of the Provisional Fur Seal Agreement which relates to the duration of the Agreement, shall be amended to read as follows:

"The Agreement shall remain in effect until (a) either the Government of the United States of America or the Government of Canada enacts legislation contrary to its provisions; or (b) the date of entry into force of a new agreement for the preservation and protection of fur seals to which the United States of America and Canada, and possibly other interested countries, shall be parties; or (c) twelve months after either Government shall have notified the other Government of an intention of terminating the Agreement."

If the foregoing proposal is acceptable to the Government of Canada, the Government of the United States of America will regard this note and your reply thereto as constituting an agreement between the two Governments amending the Provisional Fur Seal Agreement, with effect from the date of your note in reply.

Accept [etc.]

For the Secretary of State:

WILLARD L. THORP

His Excellency
HUME WRONG,
Ambassador of Canada.

CANADIAN EMBASSY
WASHINGTON, D. C.

December 26, 1947.

No. 485

SIR,

I have the honour to acknowledge the receipt of your note of December 26th, 1947, proposing that the Provisional Fur Seal Agreement effected by exchange of notes signed at Washington December 8th and 19th, 1942, be amended with a view to assuring continuing protection of the fur seal herd.

I have been requested to inform you that the Canadian Government accepts the proposal of the Government of the United States of America contained in your note which, together with this reply, it considers as constituting an agreement between the two Governments amending the Provisional Fur Seal Agreement, with effect from the date of this note.

Accept [etc.]

H. H. WRONG

THE SECRETARY OF STATE,
Washington, D. C.

Address on Displaced Persons

On January 10 Assistant Secretary Saltzman made an address before the United Service for New Americans in New York City; for the text of this address on planning for the resettlement of displaced persons in the United States, see Department of State press release 26 of January 10, 1948.

Deadline Extended for Registration of Foreign Capital in Brazil

[Released to the press January 8]

An instruction of the Brazilian Banking Superintendency published on December 19, 1947, extended to March 31, 1948, the deadline for the registration of private foreign capital that entered Brazil before October 8, 1947. The requirement that private capital entering the country after October 7, 1947, be registered within 30 days of the date of its entrance was not altered by the instruction.

As indicated in the Department's announcement of December 2, 1947, foreign capital already invested in Brazil, or which may be invested in the future, will lose the right of exit as well as transfer of profits abroad if it is not registered with the Banking Fiscalization Department within the specified periods.¹

Albert M. Day Appointed to International Pacific Salmon Fisheries Commission

[Released to the press January 5]

Secretary of State Marshall announced on January 5 that the President has designated Albert M. Day, Director of the Fish and Wildlife Service of the Department of the Interior, as a United States member of the International Pacific Salmon Fisheries Commission, United States and Canada, to fill the position left vacant by the death of Fred J. Foster. The other United States members of the Commission are Edward W. Allen and Milo Moore, both of Seattle, Washington. Mr. Day will receive no compensation for his work as a member of the Commission, and he will maintain his position as Director of the Fish and Wildlife Service.

The International Pacific Salmon Fisheries Commission functions under the convention between the United States and Canada signed at Washington on May 26, 1930, for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system.

Economic Accomplishments of the General Assembly—Continued from page 86

where the tradition of production and high economic activity existed in the past and can be revived more readily. And these countries can provide the markets for the goods which the material-supplying countries are presently able to produce.

Both lines of argument, those of the underdeveloped countries and those of the devastated countries, are cogent and convincing. They are deeply felt and sincerely and vigorously urged by their respective proponents. They are addressed primarily to countries like the United States, which are highly productive and which have had the fortune to escape the direct material destruction of the war.

The sad truth is that there are not enough resources, financial, material, or human, to do all the urgent jobs at once and right away. Under these circumstances the only salvation is to examine the various needs critically and continuously, so that the maximum can be accomplished in an orderly and resolute manner. Those whose claims must be deferred must be convinced that all the reasons advanced for various possible courses have been considered on their merits. Those whose needs are first taken care of must

realize that their opportunity carries a commensurate obligation to advance the general economic development to which all nations aspire.

For these reasons it is important that the various views of the different countries should be given the widest currency and should be tested against one another as fully as possible in the same place and at the same time. At the last Assembly, representatives of 38 countries spoke in the general debate in Committee II on the economic questions raised by the Ecosoc report. To the best of my recollection all of them touched in one way or another on the problems of reconstruction and development. This represents one of the great values of the General Assembly. It is not the place to solve the detailed problems of technical complexity which must be worked out before economic programs can be carried through. But it is a forum in which every country can make known its own basic economic concerns and come to a fuller realization of those of others. Such knowledge is the essential foundation for the achievement of international cooperation in economic matters.

¹ BULLETIN of Dec. 14, 1947, p. 1191.

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Contributors

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Arthur P. Whitaker, author of the article on the First Consultation of the Commission on History, served as Chairman of the United States Delegation to that meeting. Dr. Whitaker is Professor of History at the University of Pennsylvania.

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TOWARD A WORLD MARITIME ORGANIZATION

Part I. Developments From 1897-1946

ARTICLE BY EULA MCDONALD

Government officials and private individuals concerned with ocean shipping and ocean travel are keenly interested in the preparations for the international conference scheduled to meet in February 1948 to establish an Intergovernmental Maritime Consultative Organization. An even half-century of developments in this field has led to the creation of this new organization that will provide machinery for multinational cooperation in merchant shipping.

Among the problems that have demanded international discussions have been: (1) the rendering of assistance to vessels in distress; (2) salvage of shipwrecked cargoes; (3) determination of legal responsibility and civil jurisdiction in collisions; (4) settlement of disputes between states on maritime matters; (5) standardization of tonnage measurements, rules of the road, and code signals; (6) deciding upon the right of inland states to possess merchant fleets; (7) treatment of foreign vessels in ports and harbors; and (8) wartime international coordination and allocation of tonnage for troop transport and for shipment of war supplies.

This article deals primarily with the program and structure of the significant bilateral and multilateral organizations created to deal with international shipping problems; in addition, however, to these organization aspects, it presents a consolidated treatment of one problem of outstanding importance which has been dealt with by international conferences and has resulted in the adoption of international conventions, namely, the promotion of human safety at sea. This topic, which has a universal, humanitarian appeal and which has been the object of international attention for

over 50 years, is closely integrated with the program to be considered at the February conference, and will also be the subject of a special diplomatic conference to be held in London in April 1948.

The agreements adopted and discussions held at the various marine conferences, and the several maritime organizations themselves—some of which operated for a time and then vanished or were absorbed, others being but transitory outgrowths of the exigencies of war—all served a highly useful purpose. It has now become clear, however, that a partial attack on the complexities of maritime activity cannot solve the difficult and pressing problems emerging in present-day global shipping. To those who have studied the subject the necessity for a greater degree of continuity than was possible under previous arrangements has become increasingly apparent, and the solution appears to be the permanent international maritime organization for the creation of which the conference in February has been summoned.

International Maritime Committee

Among the earliest of the international organizations established to deal with maritime matters was the International Maritime Committee, unofficial in character, which was formally created in 1897. Nineteen conferences of this international committee, all concerned with legal phases of merchant shipping, were held from 1897 to 1937, inclusive. Among the subjects dealt with were collisions at sea, salvage and assistance at sea, limitations of shipowners' liability, maritime mortgages and liens on ships, immunity of state-owned ships, and exemption clauses in bills of lading.

This committee assisted in the work of several diplomatic conferences, including the Third International Conference on Maritime Law, held at Brussels, at which were signed the conventions of September 23, 1910, for the unification of certain rules of law with respect to assistance and salvage at sea, and for the unification of certain rules relating to collisions at sea.¹ The first of these is still in force with respect to the United States and other countries. The second, which the United States did not ratify, is also in force with respect to many governments.

The committee also assisted in the drafting of the convention for the safety of life at sea, signed at London on January 20, 1914. At its 1937 meeting, which was held at Paris, the committee adopted draft conventions for consideration by the interested governments relating to penal and civil jurisdiction in matters of collision and the attachment of vessels.² It was contemplated that these 1937 draft conventions would be submitted to a diplomatic conference, but they have been held in abeyance awaiting a suitable opportunity for their presentation.³

Allied Maritime Transport Council, 1917-1919

The Allies in the years 1914 to 1917 fully recognized the importance of shipping as a vital factor in waging war, but agreements for emergency allocations of tonnage prior to 1917, according to

¹Treaty Series 576, 37 Stat. 1658; *Treaty Information Bulletin*, No. 21 of June 1931 (Department of State publication 213), p. 22. See also *Bulletin* No. 24 of the Comité Maritime International, April 1911, p. ix.

²League of Nations Secretariat, *Handbook of International Organizations* (Geneva, 1938), p. 246.

³It is not believed that the valuable work which has been done by the International Maritime Committee on an unofficial basis will be carried on by the proposed Intergovernmental Maritime Consultative Organization. It seems probable, rather, that satisfactory arrangements for cooperation will be made by which the proposed organization will recommend to its member governments the adoption of various proposals of the International Maritime Committee.

⁴*Foreign Relations of the United States, 1917*, supplement 2, vol. I, pp. 334 ff. and 413-415. In August 1918 Japan was invited to participate in the deliberations of the group (*ibid.*, 1918, supplement 1, vol. I, p. 526).

⁵*Ibid.*, 1917, supplement 2, vol. I, p. 422.

⁶*Ibid.*, 1918, supplement 1, vol. I, p. 512.

Sir Arthur Salter in his *Allied Shipping Control, An Experiment in International Administration*, proved to be "piecemeal and incomplete". The Inter-Allied Shipping Committee, appointed in January 1917 by an Allied naval conference at London, also failed to solve the wartime shipping needs of Great Britain, France, and Italy.

In April, when the United States entered the war, the problems of shipping increased immeasurably as a consequence of the necessity of transporting American troops across the Atlantic and maintaining the life line of imports to the European Allies. An American war mission to England and France, headed by Colonel Edward M. House and including Bainbridge Colby, a member of the United States Shipping Board, arrived in London early in November. Several of its members met with the British War Cabinet, and agreement was reached upon principles for coordinating the allocation of available tonnage.

A memorandum outlining these principles was submitted, in Paris, to the subcommittee on importations and maritime transport of the Inter-Allied Conference held from November 29 to December 3, 1917. The Paris conference voted, through the subcommittee, to establish a standing committee which, consisting primarily of representatives of the United States, Great Britain, Italy, and France, should collect information for the purpose of maintaining at all times a broad survey not only of the general material needs of the various nations, but also of available shipping facilities.⁴ The subcommittee also authorized the appropriate representatives of the four countries constituting the new committee to take steps to secure the necessary exchange of information and coordination of policy and effort, and to establish a permanent office and staff for the purpose.⁵ The new committee received the name of Allied Maritime Transport Council.

In order to facilitate the work of the council, which met infrequently, a headquarters body known as the Allied Maritime Transport Executive was created. Broadly, the function of the executive was to correlate data continuously on the tonnage requirements of the Allied powers.⁶

The council and its executive were successful in fulfilling their basic mission of analyzing in an illuminating way the tonnage resources and material requirements of the Allies and of recommend-

ing the most practical and most productive allocation of available vessels. The transocean and coastal shipment of troops, food, and equipment was materially aided and expedited by the council's activities.

With the signing of the Armistice the Allied Maritime Transport Council and the Allied Maritime Transport Executive ceased to play important roles in the control of shipping. Other organizations and other methods began gradually to be utilized in meeting the postwar seagoing transport problems. The council ceased to function on April 7, 1919, when it became a part of the Supreme Economic Council. The executive, with changed duties and changed personnel, continued in existence until February 7, 1920.

League of Nations Organization for Communications and Transit, 1921-1946

In article 23 (e) of the Covenant of the League of Nations (part I of the Treaty of Versailles) the signatories agreed that they would "make provision to secure and maintain freedom of communications and of transit", bearing in mind "the special necessities of the regions devastated during the war of 1914-1918". Part XII of the Treaty of Versailles, entitled "Ports, Waterways and Railways", provides (1) in article 338 that the régime for European inland waterways established by article 332-337 "shall be superseded by one to be laid down in a General Convention . . . approved by the League of Nations", and (2) in article 379 that Germany shall "adhere to any General Conventions regarding the international régime of transit, waterways, ports or railways which may be concluded . . . with the approval of the League of Nations".

The Assembly of the League on December 9, 1920, resolved to call a conference to carry out the provisions of the treaty.⁷ The conference met in Barcelona in March and April 1921 and drew up a number of conventions including those contemplated in part XII of the Treaty of Versailles.⁸ The conference also formulated a set of rules for the organization of general conferences on communications and transit and of an advisory and technical committee. These rules were revised by the Third General Conference on Communications and Transit, in the summer of 1927, in the form of

a Statute for the Organization for Communications and Transit and Rules of Procedure for the General Conferences.⁹ Finally a new statute, giving the Organization greater autonomy within the League, was approved by the Council of the League of Nations on January 29, 1938.¹⁰ Under this statute the work of the Organization was to be carried out by (1) a committee for communications and transit, of an advisory and technical character; (2) permanent or temporary special committees; (3) a permanent secretariat provided by the Secretary General of the League; and (4) general conferences and other meetings.

The Committee for Communications and Transit provided for by the 1938 statute was the successor of the Advisory and Technical Committee for Communications and Transit created under the earlier organic provisions. This committee was in one respect a subsidiary of the Communications and Transit Organization, in that it carried out the Organization's work; in another respect it was independent of the Organization in that its composition was determined by the Assembly of the League.¹¹ It was empowered to study and propose measures for insuring freedom of communications and transit; collect from the states which had taken part in the conferences information regarding the signing and ratification of conventions adopted by the conferences, as well as the accessions to such conventions; consider questions of conciliation and inquiry, falling within its competence, in disputes between states; and exchange information concerning communications and transit with appropriate tech-

⁷ League of Nations, *Official Journal*, Special Supplement, January 1921, p. 14.

⁸ *The Treaty of Versailles and After; Annotations of the Text of the Treaty* (Conference Series 92, Department of State publication 2724), p. 689.

⁹ League of Nations, *Third General Conference on Communications and Transit, Geneva, August 23rd to September 2nd, 1927* (4 volumes, Geneva, 1927), IV, 60. Although not mentioned in the title of these rules, an advisory and technical committee is provided for in them.

¹⁰ League of Nations, *Official Journal*, January 1938, pp. 218-226.

¹¹ Articles 3 and 4 of the 1938 statute. Under article 4, the Assembly was to elect the states whose nationals were to form the Committee for Communications and Transit.

nical ministries of the states members of the organization and with certain other international bodies. It was also to prepare an annual report on the activities of the Organization for Communications and Transit and to forward the report to the members of the organization and to the council and the Assembly of the League, together with an indication of the program of the organization for the following year.¹²

This committee and its predecessor, the Advisory and Technical Committee, carried out their purposes during the 1920's and the fateful 1930's until the outbreak of war. It met for the last time in June 1939, after which its work was carried on as far as possible by the League Secretariat.¹³

The statute made provision, as stated above, for special committees in addition to the foregoing general committee. Of these special committees, one group consisted of seven subcommittees of the general committee, which were specifically named in the statute. They were to deal with air navigation, electric power, transport by rail, inland navigation, maritime ports and navigation, road traffic, and law. The members of these permanent subcommittees and also their chairmen were to be selected by the parent committee. In addition to the seven subcommittees mentioned, the committee was empowered to ask individual experts or temporary committees to undertake studies or submit information coming within the scope of the Organization.¹⁴ These permanent and temporary subcommittees or special committees conducted studies and prepared drafts for consideration on the subjects which were assigned them. A draft set of international regulations for the ton-

¹²Article 7 of the statute.

¹³League of Nations, *Report on the Work of the League During the War* (Geneva, 1945), pp. 44-45.

¹⁴Articles 10 and 11 of the statute.

¹⁵*Report on the Work of the League*, p. 47.

¹⁶League of Nations, Secretariat, Information Section, *Essential Facts About the League of Nations* (Geneva, 1938), p. 235.

¹⁷*Report on the Work of the League*, pp. 54 ff.

¹⁸United Nations, *Resolutions Adopted by the General Assembly . . . 10 January to 14 February 1946* (London, 1946), pp. 35-36.

¹⁹League of Nations, Board of Liquidation, *First Interim Report* (Geneva, 1946), pp. 3, 4, 14, 17, and 18.

²⁰Articles 17, 19, and 20 of the 1938 Statute.

nage measurement of ships was, for example, one of the concrete productions of a special committee appointed to study this problem.¹⁵

As envisaged by the statute, the Secretary General of the League provided a permanent secretariat for the organization. This permanent secretariat took the form of the Communications and Transit Section of the League Secretariat.¹⁶ The Communications and Transit Section not only was active in the interbellum period but also continued to be active in assembling and publishing information during World War II.¹⁷

The functions of the League Secretariat, including the responsibilities pertaining to communications and transit, were formally turned over by the League to the United Nations in 1946 in accordance with (1) the resolution adopted by the United Nations General Assembly on February 12, 1946,¹⁸ and (2) the resolution adopted on the closing day of the last session of the Assembly of the League, held at Geneva from April 8 to 18, 1946.¹⁹

The three above-mentioned branches of the Organization for Communications and Transit—(1) the committee, (2) the subcommittees and special committees, and (3) the permanent secretariat—were in some respects built around the fourth or keystone branch: the general conferences. These conferences were charged with the conclusion or revision of international conventions concerned with communications and transit matters. They could be called at any time by the Council of the League and could also meet at the request of at least half of the members of the organization. The delegations of the members of the organization could take part in all the general conferences "as of right". The statute also provided that delegations of such other governments as might be invited by the Council of the League could participate in all or part of the proceedings of a particular general conference. Individuals selected by the Committee for Communications and Transit could participate in an advisory capacity.²⁰

Four General Conferences on Communications and Transit were held, as follows: the Barcelona conference of 1921, referred to above; the second, at Geneva in 1923; the third, also at Geneva, in 1927, which is likewise mentioned above; and the

fourth, at Geneva, in 1931.²¹ Regarding these meetings, one observer noted in 1931 that the communications conference, after the labor conference, was the most important of those which sat regularly in direct connection with the League.

Among the accomplishments of the Organization for Communications and Transit may be mentioned its adoption at Barcelona of a declaration recognizing the right of states having no seacoast to possess a merchant fleet; the preparation at Geneva in 1923 of a convention on the international regime of maritime ports, which established the principle of the equality of treatment of vessels in maritime ports, irrespective of flag; and the preparation of draft international regulations and uniform methods covering the tonnage measurements of ships.²² The Organization also assisted in the settlement of disputes concerning communications and transit matters, a function not paralleled in the case of any other technical organ of the League.

The residual responsibilities of the Organization for Communications and Transit have been channeled into the United Nations. The activities of the appropriate organs of the United Nations in this field are outlined on subsequent pages.

Combined Shipping Adjustment Board, 1942

On January 26, 1942, the White House announced the creation of the Combined Shipping Adjustment Board by President Roosevelt and Prime Minister Churchill, "to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the shipping authorities of the United States Government".²³ By an Executive Order of February 7, 1942 (no. 9054), President Roosevelt established a War Shipping Administration in the Executive Office of the President, which comprised the American section of the board. Although this bilateral board was created primarily to coordinate the work of the shipping authorities of the two countries, it was agreed that its members would confer with representatives of the Union of Soviet Socialist Republics, China, and such others of the United Nations as it might be necessary to consult in order to provide for the most effective utilization of the joint shipping resources of the United Nations.²⁴

During its period of most active operation, in

1942-45, the board sought not only to obtain the fullest possible utilization of the available shipping but also to increase the available supply, in order to achieve the speedy and successful transportation of goods from raw-material sources to industrial centers and from the latter to the fighting fronts in the form of war essentials.

The board was able to exploit a vast pool of vessels. All American and British ships except certain coastal vessels were under requisition to their respective Governments. Moreover, the majority of ships under the flags of other United Nations, also under requisition by their governments, had been chartered for the duration of the European war to the British Ministry of War Transport or the War Shipping Administration or had been made available in some other way for utilization by one or the other of these bodies.²⁵

The board continued in existence after the termination of active hostilities, and still maintains at least a *pro forma* existence, although in 1944 agreement was reached for the subsequent coordination of Allied shipping arrangements by a multilateral body, known as the United Maritime Authority.

United Maritime Authority, 1945-1946

Representatives of eight Allied countries which had agreed to coordinate their available shipping in the interests of the war effort met at London from July 19 to August 5, 1944. Their purpose was to discuss the best methods for insuring the continued availability of the tonnage resources of the various nations in the light of the changed conditions anticipated during the latter phases of the war. The countries represented were Belgium, Canada, Greece, the Netherlands, Norway, Poland, the United Kingdom, and the United States. Rep-

²¹ *American Delegations to International Conferences . . . Fiscal Year Ended June 30, 1932* (Department of State publication 425, Conference Series 13), p. 18. The United States was represented at the third and fourth of the general conferences.

²² *Essential Facts About the League of Nations* (1939 edition), p. 247. For text of convention, see League of Nations Treaty Series, vol. 58, p. 285.

²³ BULLETIN of Jan. 31, 1942, p. 88.

²⁴ BULLETIN of Jan. 31, 1942, pp. 87-88, and Jan. 16, 1943, p. 69.

²⁵ BULLETIN of Oct. 1, 1944, p. 357.

representatives of Denmark and of the French Committee of National Liberation also participated in the session, the Danish delegate being present in the capacity of an observer.²⁶

In order to bring about the necessary adjustments in the already existing arrangements, the conference drew up, and signed on August 5, an agreement on principles having reference to the continuance of co-ordinated control of merchant shipping.²⁷ In paragraph 1 of the agreement the contracting governments declared that they accepted as a common responsibility the provision of shipping for not only the military tasks but also for all other tasks necessary for the completion of the war in Europe and the Far East, and for the transport of supplies to "the liberated areas as well as . . . the United Nations generally and territories under their authority." Under the terms of paragraph 7(a) of the agreement, a central authority to exercise control was to come into operation upon the general suspension of hostilities with Germany. A planning committee was to begin work in London as soon as possible after the signing of the agreement, for the purpose of working out, on a basis satisfactory to the contracting governments, the details of the machinery required to enable the new agency to begin to discharge its functions. Paragraph 14 of the annex to the agreement made the Governments of the United States and the United Kingdom responsible, in consultation with the other contracting governments, for determining the date of the coming into operation of the central authority in accordance with paragraph 7(a) of the agreement.

Provision was made for the implementation of the principles laid down in the agreement by the establishment of a United Maritime Council and a United Maritime Executive Board, together constituting the central authority (which became known as the United Maritime Authority).²⁸ The annex to the agreement provided that each contracting government should be represented on the

council, which would meet when deemed necessary and at least twice a year.

The annex provided further that the executive board should be established with branches in Washington and London under the chairmanship, respectively, of the War Shipping Administration and the Ministry of War Transport, and that it should exercise through its branches the executive functions of the central authority. Under paragraph 9 of the agreement, the authority would remain in operation for a period not extending beyond six months after the general suspension of hostilities in Europe or the Far East, whichever might be later.

The United Maritime Authority came into operation, pursuant to the terms of the agreement, upon the suspension of hostilities in the Atlantic theater. Since many of the prior agreements for coordinated allocation of tonnage lapsed with the termination of hostilities in Europe, a chaotic condition in transportation might have arisen between the end of hostilities with Germany and the victory over Japan in the Pacific. The United Maritime Authority was successful in avoiding such a condition and in continuing the orderly and efficient utilization of ship tonnage in the common effort. During the period of its operation its membership was increased from eight to eighteen governments, and it finally controlled more than 90 percent of merchant-ship tonnage under Allied and some neutral registries, regulating the routes, cargoes, sailings, and freight and charter rates of these ships.

The final meeting of the United Maritime Executive Board was held in London from February 4 to 11, 1946.²⁹ It included official delegates of France and Denmark as well as eight additional countries which had become associated with the organization since the signing of the agreement of August 5, 1944; namely, Australia, Brazil, Chile, India, New Zealand, the Union of South Africa, Sweden, and Yugoslavia. The delegates considered plans which they felt should be made, in view of the imminent termination of the controlled shipping pools of 17 million tons, to take care of various national shipping programs and to insure as smooth a transition as possible from wartime to peacetime operation of shipping. The most pressing point at issue was the question of prompt and efficient ocean transportation of UNRRA and other relief and rehabilitation cargoes to their

²⁶ BULLETIN of Aug. 13, 1944, p. 157.

²⁷ BULLETIN of Oct. 1, 1944, pp. 358-361.

²⁸ BULLETIN of Oct. 1, 1944, p. 359, and Dec. 3, 1944, p. 655.

²⁹ BULLETIN of Feb. 3, 1946, p. 171, and Mar. 24, 1946, pp. 487-488. This meeting was also considered to be a session of the full Council of the United Maritime Authority, as all the member governments were represented.

destinations. The board decided unanimously that further coordination was necessary until normal international shipping could be resumed. The result was a recommendation that governments represented on the United Maritime Authority should enter into a new but temporary agreement under which there would be established (1) a voluntary pool of shipping for the transportation of relief and rehabilitation cargoes, and (2) a consultative council to serve as a forum for the discussion of the shipping problems which might arise prior to the return to normal peacetime shipping activities.

The United Maritime Authority was terminated on March 2, 1946, in accordance with its decision to set September 2, 1945, as the date on which "the general suspension of hostilities" took place, such date beginning the last six months of its control over world merchant shipping.³⁰

United Maritime Consultative Council and the United Nations

Prior to the termination of the United Maritime Authority and its recommendation for the establishment of an interim consultative council to succeed it, the United Nations had already come into being and had begun to consider plans for promoting international maritime cooperation. Since the actions of the United Nations in this field in the year 1946 not only occurred simultaneously with the setting up and operation of the recommended consultative council, but also bore in part directly upon it, the two sets of parallel developments are treated together, in chronological sequence, in this section.

The Charter of the United Nations, signed at San Francisco June 26, 1945, provided, among other things, for the promotion of conditions of economic progress and development (article 55), and to that end it made provision for an Economic and Social Council and "such subsidiary organs as may be found necessary" (article 7). The Preparatory Commission which met at London in December 1945 to bring the United Nations into full operation suggested the establishment of a temporary or nuclear Transport and Communications Commission to review "the general field of international transport and communications in order to advise the Council on any machinery which it will be necessary to establish either as part of the United Nations or as a new specialized agency."³¹

As stated above, the Council of the United Maritime Authority met in London from February 4 to 11, 1946, and decided to recommend the establishment of a temporary successor agency. Five days later, on February 16, 1946, the Economic and Social Council of the United Nations, also meeting at London, adopted a resolution creating a Temporary Transport and Communications Commission, as recommended by the Preparatory Commission in December 1945. The Economic and Social Council, in its resolution, expressed the opinion that establishment of formal relationships with existing intergovernmental agencies in the field of transport and communications would be premature, but it took into account the need for some form of preliminary contact with such organizations. It also recognized the need for advice on the practical problems involved and on the adequacy of the international structure in those fields. The functions of the Temporary Transport and Communications Commission were delimited to implementing these understandings.³² By further action of the council on February 18, 1946, the initial membership of the Temporary Commission was determined.

March 1946

On March 2 the United Maritime Authority expired, and on March 3 the United Maritime Consultative Council came provisionally into being. Part "A" of the relevant agreement provided that all the nations which had made a regular contribution of tonnage to the common tasks under the United Maritime Authority should continue to provide shipping on a voluntary basis for the imperative needs of UNRRA and the liberated areas. Part "B" of the agreement provided for the establishment of the United Maritime Consultative Council as a forum for the exchange of information and the discussion of mutual problems with the hope that the knowledge thus gained of the methods by which other governments met current shipping problems would be valuable to the individual governments in forming their own policies. The agreement also provided for a Ship-

³⁰ BULLETIN of Dec. 16, 1945, pp. 965-966.

³¹ U.N. press release B-7, Apr. 26, 1946.

³² U.N. doc. E/42, May 20, 1946, p. 33.

ping Coordinating and Review Committee to consider and review UNRRA's shipping requirements, and a Contributory Nations Committee, which was assigned the task of actually meeting the ocean-transportation requirements of UNRRA and of the liberated areas in an orderly and effective manner by adjusting ship space and cargoes.³³

May 1946

The newly created Temporary Transport and Communications Commission met in New York in May and made its first report to the Economic and Social Council of the United Nations on May 25, 1946. In connection with a general survey of intergovernmental organization in the field of transport and communications, the report pointed out that aside from the United Maritime Consultative Council, which was temporary in character, the only standing intergovernmental bodies in the shipping field were the International Hydrographic Bureau and the International Commission for the Maintenance of the Lighthouse at Cape Spartel. The commission believed that in view of the lack of an over-all international organization in the field of shipping, an intergovernmental body should be set up to deal with technical matters in that field. The report outlined the general responsibilities which such a body should have.³⁴

The commission also engaged in considerable discussion concerning the desirability of establishing a permanent Transport and Communications Commission of the Economic and Social Council of the United Nations. It was argued that such a commission could serve as a conciliatory body when disputes arose and would be in a position to indicate to the council when new agencies or agreements were needed. The temporary commission finally agreed unanimously to recommend the establishment of a permanent Transport and Communications Commission which should not act as an intermediary between the council and specialized agencies, but should serve in an advisory capacity, particularly with respect to coordina-

tion of specialized agencies. It was made clear in the report that specialized agencies were to report directly to the council and that the permanent commission would in no sense be "over" them.³⁵

June 1946

Following the receipt of the above-mentioned report dated May 25, 1946, a committee of the Economic and Social Council requested the Secretary-General of the United Nations to seek the views of the United Maritime Consultative Council on the proposal for the establishment of an organization in this field. Accordingly, the Secretary-General, on June 13, 1946, sent a telegram to the Minister of Foreign Affairs of the Netherlands recounting the resolution of the Temporary Transport and Communications Commission and stating that the message was sent for the preliminary information of the United Maritime Consultative Council, to enable it to consider putting the question on its agenda.

The United Maritime Consultative Council duly convened for its first session at Amsterdam on June 18, 1946. Although the various delegations made significant reports on the shipping policies of their governments,³⁶ the most important item on the agenda was the possible establishment of an intergovernmental body which would provide the means for a permanent forum on shipping. Before the meeting had taken action on the telegram of June 13 from the Secretary-General of the United Nations, it received a further telegram from that official, dated June 21, in which it was stated that the Economic and Social Council had on that day adopted the recommendation of the temporary commission for the establishment of a permanent transport and communications commission.

The June 21 resolution of the Economic and Social Council provided that the temporary commission should continue to function until the permanent body was set up, during which period the temporary body was to assume the functions prescribed for the permanent commission. The resolution also provided that the new commission should examine fully the question of the establishment of a world-wide intergovernmental organization in the shipping field to deal with technical matters. The duties of the permanent Transport and Communications Commission included

³³ BULLETIN of Mar. 24, 1946, pp. 488-489.

³⁴ U.N. doc. E/42, May 20, 1946 (report submitted May 25), pp. 5-13.

³⁵ *Ibid.*, pp. 7, 8, and 9.

³⁶ BULLETIN of July 14, 1946, pp. 64-65.

the responsibility of advising the Economic and Social Council in general matters concerning transport and communications; of receiving special delegations of authority from the Council on certain questions, particularly those for which no specialized agency exists; and of dealing with specific problems with respect to specialized agencies, on the request of the Council.³⁷

On June 23, 1946, the Chairman of the first session of the United Maritime Consultative Council informed the Secretary-General of the United Nations by telegram, in response to his cable of June 21, that the question of a world-wide shipping organization was already included in the agenda of the meeting and that the United Maritime Consultative Council had discussed the question with the result that a resolution had been adopted to the effect that (1) the council took note of the view generally expressed that an intergovernmental body was likely to be required, and (2) the council would appoint a committee to consider in greater detail the possible constitution, scope, and procedure of such a body. The chairman added that the committee was to report its findings to the second session of the United Maritime Consultative Council, which would be convened prior to October 31, 1946, to consider the report and to make recommendations to the member governments.³⁸

September 1946

The Department of State announced on September 26, 1946, that pursuant to the wishes expressed by the member nations of the United Maritime Consultative Council at their June meeting it had invited those nations to the second and final session of the United Maritime Consultative Council at Washington from October 24 to 30, 1946. In addition to the consideration of the working committee's report and the resultant recommendations, the United Maritime Consultative Council had on its agenda the preparation of a reply to the United Nations concerning its request for the views of the United Maritime Consultative Council on the establishment of an inter-

governmental maritime organization; a review of the working of the machinery set up by the former United Maritime Executive Board for the orderly transportation of certain cargoes after the termination of the United Maritime Authority; and a review of the progress made in the restoration of normal processes of international merchant shipping.³⁹

October 1946

The United Maritime Consultative Council met at Washington according to schedule for its final session and agreed to recommend to its 18 member governments the establishment through the machinery of the United Nations of a permanent shipping organization. It also agreed, as a temporary measure pending the creation of the permanent body, on the desirability of forming a further interim body designed particularly to handle such problems as might arise during the period of transition to the permanent organization. The interim body was denominated a Provisional Maritime Consultative Council.⁴⁰ The four recommendations adopted on October 30, 1946, provided that—

“(1) an Inter-Governmental Maritime Consultative Organization should be established as a specialized agency of the United Nations, as set forth in the draft convention for an Inter-Governmental Maritime Consultative Organization annexed hereto;

“(2) each Member Government take appropriate action in requesting the Economic and Social Council to convene a conference of all interested governments for the purpose of adopting a constitution for an Inter-Governmental Maritime Consultative Organization as set forth in the annexed draft convention;

“(3) in view of the fact that the United Maritime Consultative Council will cease to exist on October 31, 1946, a Provisional Maritime Consultative Council should be set up forthwith in accordance with the annexed Agreement for the establishment of a Provisional Maritime Consultative Council;

“(4) government members of the United Maritime Consultative Council should accept as soon as possible the Agreement for a Provisional Mari-

(Continued on page 115)

³⁷ U.N. doc. E/5S/Rev. 2, July 1, 1946, pp. 2-4.

³⁸ U.N. doc. E/CN. 2/4, Jan. 10, 1947, pp. 4-7.

³⁹ BULLETIN of Oct. 6, 1946, p. 631.

⁴⁰ BULLETIN of Dec. 15, 1946, pp. 1092-1098.

The Stake of the Businessman in the European Recovery Program

ADDRESS BY GEORGE C. MARSHALL¹

Secretary of State

During the past week I have appeared before Congressional committees of the Senate and the House to discuss the European Recovery Program recently recommended by the President. Other officials of the Executive branch are now testifying before the same committees as to the details of the program. It has been widely publicized and discussed. Its purpose and principal features are now well known. Therefore, I am reluctant to add another statement to the mass of material on the subject. But this issue is of such great national importance that I feel justified in referring tonight to some aspects that may be of especial interest to the leaders in business.

Businessmen quite naturally are concerned about the possible effects on their own position—about how this program will affect the supply of raw materials, prices, sales, profits, and the conditions of doing business. Measures affecting the national economic interest in the long run will influence the private affairs of all of us. In considering the effect of this particular measure upon our individual or collective lives and fortunes, it seems logical first to appraise the present position of the United States in world affairs.

In order to put current events in proper perspective, it is necessary to go back at least to the Council of Foreign Ministers at Moscow last spring. We met there, as you know, to consider peace treaties for Germany and Austria. That effort to reach agreement failed utterly because the Soviet Union insisted upon conditions which the three western powers could not in good conscience accept. The reasons for the Soviet attitude have now become clearer and were well defined at the recent London conference, where resort to similar obstructive tactics and propaganda appeals led again to failure.

Our experience at Moscow was productive in

¹ Delivered before the Chamber of Commerce at Pittsburgh, Pa., on Jan. 15, 1948, and released to the press on the same date.

one sense at least. It necessitated a complete reappraisal of the situation in Europe which was steadily deteriorating, and brought us to the important conclusion that we faced the choice of quitting Europe altogether or of completing the task of European recovery. We had no intention of quitting.

Once the basic decision was taken, the United States put into effect certain measures susceptible of immediate application. These concerned Germany, where we have major responsibilities as an occupying power. It was apparent that there was no immediate prospect of a German peace treaty nor any likelihood that the Soviet Union would cooperate in establishing a balanced economy for all of Germany as provided in the Potsdam agreement. Therefore, we had to take what steps we could to enable the Germans to pull their own weight in Europe and at an early date to terminate reliance upon Britain and the United States for the essentials of existence now lacking in western Germany.

The British and American zones were then being integrated economically in the interest of efficiency and economy. This process was accelerated. In addition, the two Governments decided upon an appreciable increase in the level of industry. This is a rather technical matter which is not readily understood. It should be remembered that the Potsdam agreement called for the economic integration of all four zones of Germany. To enable Germany to be self-supporting, a stipulated portion of the German industrial capacity, factories, machinery, etc., was to be retained in Germany. Industrial capacity in excess of this requirement was to be destroyed or distributed among the Allied nations as reparations.

But the refusal of the Soviets to cooperate in establishing a unified economy for Germany invalidated the level of industry and reparation calculations made at Potsdam. It soon became apparent that the plants and equipment originally

selected for retention in the western zones could not—with that area sealed off from the Soviet zone—produce enough to support the increased population of the bizonal area. This left the people in the bizonal area heavily dependent on Britain and the United States, especially for food-stuffs. The only feasible solution was to increase the industrial capacity to be retained in western Germany at the expense of reparations. This was done.

Incidentally, these measures which we have undertaken together with the British for the revival of economic life in our two zones have all been on the basis of a continuing invitation to the other occupying powers to join us in these necessary and constructive steps.

Such measures as these, which we could undertake singlehandedly or in cooperation with other governments, yielded some results. But they did not get to the heart of the problem—which was the general economic recovery of western Europe—which, after a promising start, had plainly begun to falter. It became unmistakably clear that if Europe was to recover, rather than suffer a perhaps fatal relapse, vigorous action would be required. The United States was the only nation in the position of economic power and leadership to take the initiative in the matter. The alternatives to such action were so repugnant that for our own self-interest, if for no other reason, we could make only one choice.

These then were the considerations that led to the suggestion of last June 5. It was stated that a continuation of the procedure of intermittent relief measures was no longer possible. It was also stated that recovery must depend primarily on their own exertions. The suggestion was made that if they would take the initiative and unite in developing a sound and workable cooperative program to restore their economic system to a self-supporting status, we should do whatever we were able to do, consistent with our own capacities and needs.

The response was instantaneous. In the countries where freedom of opinion and action still prevailed, the idea quickly caught hold and served as a strong stimulus to morale as well as a spur to action in a material way. It focused attention on the necessity of treating economic recovery as a continental and cooperative matter, rather than a

problem confined to the narrow purview of each nation.

The response of the Soviet Union and the states under its domination was revealing. Their reaction was immediate, sharp, and defensive. Our proposal to Europe contained no geographical or ideological qualifications of any kind. Any government sincerely desirous of entering into a combined effort to promote the rehabilitation of Europe was free to participate. It was made clear, however, that we would not aid—in fact, we would vigorously oppose—any nation or group which sought to delay or impede recovery.

This was the suggestion: the nations of Europe were left to their own choice—so far as they were free to do so. Sixteen countries, led by Britain and France, rallied together at Paris to work out a joint program to which each pledged itself to contribute what it could. The Soviet Union, though invited to serve as a co-sponsor of the conference, spurned this invitation and refused to participate. Moreover, the Soviet Government evidently directed the eastern European countries subject to its influence or control to refrain from attending, even after some of these had indicated a desire to participate and one had actually accepted. Subsequently, a high Soviet official, a member of the ruling Politburo, made a public statement that it would be the policy of his Government to oppose and attempt to defeat the European Recovery Program by every possible means. That statement has been confirmed by the actions of the Communist parties in several European countries, notably France and Italy.

The 16 western nations set up the Committee of European Economic Co-operation and proceeded to draft a program for achieving recovery to a self-sustaining basis in a four-year period. Far from interfering with the sovereign rights of the countries involved, as hostile propagandists have alleged, the United States refrained throughout the summer from any suggestion or advice to the European representatives at Paris, despite the fact that repeated and urgent appeals for such counsel were made. We were determined that the initiative in this phase of the procedure should be confined entirely to the European countries involved. Only at the conclusion, and then at the insistence of the participants, did we express our views on some aspects of the preliminary draft of the Paris

program as they might relate to the prospect of American support or aid.

After the Paris program was submitted to our Government, it was given an intensive and critical examination. No peacetime project in Government history has received more careful attention and study from a large number of highly qualified individuals both in and out of Government. Numerous modifications were made in the Paris program, as the result of studies made by various groups from the Executive branch and by the Krug, Nourse, and Harriman committees. As a result, the measure recommended to the Congress represents the combined judgment of a large number of the nation's best talent. It is the plan, we believe, best adapted to serve the interests both of the United States and the European countries we wish to help.

There may be flaws of omission or phrasing and no doubt the proposal will be improved in some particulars in the light of Congressional hearings and debate, but the principal features have been shaped with utmost care to meet many vital considerations affecting the national interest. Radical alteration of the basic structure would, I fear, jeopardize the prospect that the measure will successfully accomplish the purpose for which it is designed. There is a general determination to secure the most efficient administration of this program that is humanly possible, taking into full account the unavoidable factors of governmental legal requirements and diplomatic relationships.

The proposal is now under close scrutiny in Congress and the resulting publicity should keep the nation well informed as to the issues. This is especially desirable because we are dealing with a matter which may largely determine the course of history—certainly the character of western civilization—in our time and for many years to come.

The American people frequently hear assertions that events have thrust our nation into a position of world leadership which imposes on us unprecedented responsibilities. There is truth in these assertions. The practical question is: Shall we acknowledge and accept the obligations and exactions of leadership and, if so, in what manner shall we exert that leadership?

I dare say no group is more determined to assert its leadership in vigorous and decisive fashion

than the business element. Your traditions and instincts, your business experience, tell you that to be a leader you must act like one. But, of course, the great problem of the leader is the responsibility for what follows as the result of his decisions and actions. If we agree that the United States has become a world leader and in view of the critical state of the world perforce must assert its leadership, then we must examine all aspects of the problem.

Our contribution to the European Recovery Program will cost the businessman of America money; it will cost all Americans money. But on this occasion I refer to the situation of the businessman of America—the great and small industrialist—what are his reluctances in the matter of the foreign-aid program?

Expenditures of the magnitude required to set in motion a constructive rehabilitation program in Europe—that is, a cure and not a palliative—will be an evident factor in the matter of Federal taxes. The appropriations necessary to carry out this program effectively, particularly in the initial 15-month period, must be considered in connection with tax rates.

There are subtle distinctions among the inconveniences and sacrifices that may be expected to result. Waiting for delivery of a new-model car while continuing to drive an old one is an inconvenience. Paying higher taxes than we would wish entails definite sacrifice, as does doing without some scarce goods or articles until there are enough to go around.

These are some of the realities to be faced in our daily private lives. These are some of the exactions of leadership. But each of the comprehensive analyses of the problem yet made, and there have been a number, resulted in the same general conclusion that the United States can successfully carry out the proposed program.

The fact is that the largest part of the job of assisting Europe, as measured by the rate of exports from this country, is behind us. The volume of commodities planned for shipment from the United States during the first 15 months of the program is less than the volume of our exports during the past 15 months. Moreover the program contemplates a steadily decreasing volume of exports in succeeding years.

The goods and services to be financed with

American dollars actually will constitute but a small proportion of Europe's total requirements—perhaps on the order of 5 percent. Our aids will be marginal, but that margin is absolutely necessary to enable the European economy to gain sufficient momentum to make real progress towards a pay-as-you-go basis. It is, in effect, the proverbial nail for lack of which the battle of European recovery may be lost.

The fatal deterioration and collapse of Europe economically and therefore politically would result in consequences of a most serious nature for this country. The situation we then would face would necessarily impose on us such burdens in the way of taxes, discomforts, sacrifices, and impairments of the rights and privileges we now enjoy as to make those that now confront us seem trivial by comparison.

In the field of foreign trade, for example, this Government is pressing for international agreements to remove or minimize arbitrary restraints on business between nations and to eliminate harmful discriminations. Many of the restrictive practices we oppose appear in the system known as state trading, where the foreign commerce of a country is conducted by the government as the sole or dominant buyer and seller. We recognize that many of the present state-imposed restraints are defense mechanisms, resorted to as a result of abnormal conditions caused by the war, and susceptible of correction when stability is assured.

The long-term significance of state control of foreign trade, however, is a matter for serious concern. Thus, business has a special stake in European recovery by virtue of what this recovery may mean for the practices and atmosphere of world trade. There is no doubt that if the countries of Europe should be forced to meet their present problems without further assistance from this country, the result could only be a radical increase in the restrictions and controls in force throughout that area affecting international trade and investment. And more important, perhaps, than the actual restrictions themselves would be the deterioration in the atmosphere in which international business would have to be conducted. If the businessmen of this country are again to enjoy the former facilities for residing, traveling, and doing business among the European peoples, then it is essential that the Europeans retain their confi-

dence in this country and in the soundness of liberal institutions in general. It is idle to think that a Europe left to its own efforts in these serious problems of recovery would remain open to American business in the same way that we have known it in the past.

I have been talking about Europe, but the situation is even more serious than that. Europe was at the heart of a great world trading and financial organization. Her failure to recover would have disastrous effects in many other areas. The economies of Latin America and Canada, for example, are organized on the basis of having markets in Europe. If Europe fails to recover, and she certainly cannot do so without our aid, the repercussions will be felt throughout the entire world.

The cumulative loss of foreign markets and sources of supply would unquestionably have a depressing influence on our domestic economy and would drive us to increased measures of government control.

By contrast with these possibilities, the cost and temporary adjustments required by the European Recovery Program appear reasonable, as I think they are. I have attempted only to present an estimate of the stakes the businessmen of America have at issue in this matter.

We are all stockholders in the same company—the United States of America. The paramount question before us, I think, can be stated in business terms. We are required to make a decision as to which is the wiser course: Whether to make a capital investment in European recovery involving a sum that though large is well within our means, with a good prospect of realizing long-term gains; or whether to spend our abundant capital for the satisfaction of our immediate wants, in the hope that the day of reckoning can be indefinitely deferred.

I am not a businessman, but I have some knowledge out of my experience of what has been required in the past to preserve certain of our national assets in security, peace, and freedom. I consider the prudent course in this situation is prompt and effective action to assure solvency and stability in Europe. I think that is our role as a leader in a distressed world. I think we must judge ourselves in our present security and abundance in comparison with distressed people, sick and suffering, but already inspired by a great hope that the New World will help redeem the Old.

Relation of European Recovery Program to American Foreign Policy

STATEMENT BY GEORGE C. MARSHALL¹

Secretary of State

The President on December 19 presented to the Congress a proposal for a European Recovery Program. Subsequent documents submitted to the Committee from the Executive branch provide amplification and detail. Further explanation will follow.

For my part, this morning I wish to place this proposal for economic assistance to the free countries of Europe in what I believe is its broad perspective.

The European Recovery Program necessarily must be considered in relation to the foreign policy of the United States, which in its simplest form is concerned with those conditions abroad which affect or could later affect the future security and the well-being of our nation. What we desire, I think, is a stable, cooperative, and confident world. But such a world does not exist today. We must deal with the existing situation in our effort to promote peace and security. The situation in Europe has not yet developed to the point where the grim progression from economic uncertainty to tyranny is probable. But without United States support of European self-help this progression may well become inevitable. Therefore, it is proposed that our Nation take vigorous action now to assist in setting in motion the processes of recovery in the second most productive area in the world.

The aid suggested is designed to prevent the economic strangulation which now threatens western Europe and through that vital area endangers the free people of the world. This aid must cure the illness without impairing the integrity of the nations we wish to support. The challenge of our task is great.

We are faced with the necessity of making an historic decision. The proposed program will impose burdens upon the American people, but the quantity of exports contemplated is less than those of the past 15 months. The decision should be made on the basis of our most fundamental interests, and I submit that none of these are more compelling than enduring peace and individual freedom.

Europe must be restored if a durable peace is to be attained. The United States has expended vast resources in the quest for peace. If by the expenditure of an additional amount, small in proportion to the investment already made, we can finish the job, certainly we should do so in our own interest as well as that of the world at large.

To a far greater extent than, I believe, is now recognized, the western European countries, by their own efforts, have made a well-organized start towards recovery. We have witnessed the unprecedented sight of 16 sovereign nations subordinating their diverse individual interests to a broader objective. The work of the Committee of European Economic Co-operation is a demonstration of the will of those European nations to work out with our help their own salvation. The recent actions taken by several of the participating nations without awaiting hoped-for assistance from us is heartening. The pledges of this European group promise a far more cooperative system than has ever before existed on that continent.

The European Recovery Program is designed to reinforce the joint efforts of the free peoples of Europe. It is not a series of piecemeal relief measures. I ask you and the whole Congress to keep in mind the great difference between recovery and mere relief.

To be effective, our action should meet four tests. It must be prompt. It must be adequate

¹ Made before the House Committee on Foreign Affairs on Jan. 12, 1948, and released to the press on the same date.

in amount. It must be efficient and flexible in operation. It must be cooperative in relation to the other participating countries.

The objective of this program is economic *recovery*. The time for relief programs is past. Relief assistance provided during the past two years has played a vital role. It has prevented starvation and pestilence. It has helped the people of western Europe to survive in freedom. But the concept of relief no longer meets the requirements of the situation. A constructive program for recovery is necessary. It should be adequate to its purpose of genuine recovery. If we do not move out to meet the problem in Europe today, it will certainly come to us here in the United States under conditions far more unfavorable to us.

Obviously an adequate program must be within American capacity to support, or it would be dangerous both to ourselves and to the free world. For that reason the Harriman, Krug, and Nourse Committees and all the related departments of the Executive branch have studied the impact of proposed foreign aid upon the American economy. They have concluded that a program of this magnitude can be safely and wisely under taken.

The program developed at Paris by the Committee of European Economic Co-operation has been extensively examined, both to obtain American appraisal of the requirements for recovery and to assure that proposed aid would not unduly burden our own economy. From these examinations has emerged the proposed program which calls for assistance to European recovery from the United States in the amount of \$6,800,000,000, for the period April 1, 1948, through June 30, 1949. On a comparable basis, the proposed program represents a reduction of about 20 percent in the Paris estimates. These reductions have been made, for the most part, because of scarcities and in order to minimize the impacts in the United States, recognizing in particular the other burdens on the economy and the present existing inflationary conditions.

In my judgment the proposed program, beginning with \$6,800,000,000 and carried through in decreasing amounts for each of the following three years, should make possible sustained economic recovery in western Europe. This figure

results from complex calculations. It takes into account the anticipated production, exports, and imports of the participating countries in their relation to all parts of the world and the availability of supplies both in the United States and elsewhere.

I have so far stressed that the size of the program must be adequate to its purpose of supporting genuine recovery. It is equally important that the program be administered in a businesslike way that commands the confidence of the American people and the peoples and governments of Europe.

In its operations it must be primarily a business, technical, and engineering job. The requirements of the European participants must be continuously screened as to need and availability. The efficient use of available funds must be assured. The utilization of the aid provided must be reviewed. These functions of business management we propose be assigned to an Economic Cooperation Administration. In exercising these functions we should expect the ECA to consult with other agencies of Government where appropriate.

The European Recovery Program is intimately related to the foreign policy of the United States and to our relationship with the participating countries. It will become the most important single expression of American foreign relationships in this part of the world. Its efficient administration will have far-reaching influence on our foreign policy. For this reason, as Secretary of State I am vitally interested in finding the best possible organization and management for the program.

It has never been my intention that the administration of the program be hampered by unnecessary controls or interference from the Department of State. I have said before that I have an open mind, both on the specific machinery of administration and on the wording of legislation. I believe, however, that the authority for the administration of the program should be vested in a single individual and not in a commission or board and that matters of foreign policy must be subject to control and direction of the Secretary of State.

Finally I turn to the inevitable questions: "What does the United States get out of this? Why should the people of the United States accept European burdens in this manner?"

European economic recovery, we feel sure, is

essential to the preservation of basic freedom in the most critical area in the world today.

European economic recovery is essential to a return of normal trade and commerce throughout the world.

The United States is the only nation today with the strength to lend vital support to such a movement.

We want peace. We want security. We want to see the world return to normal as quickly as possible. We are in a position of leadership by force of circumstance. A great crisis has to be met. Do we meet the situation with action or do we step aside and allow other forces to settle the pattern of future European civilization?

Country Studies on ERP Released

[Released to the press January 14]

A report comprising country studies has been prepared by the Executive branch for use in connection with the consideration of the European Recovery Program.¹ These studies deal in the first instance with the economic and political backgrounds of the 16 countries represented at the Paris conference as well as western Germany. Attention has been focused particularly on those background elements which seem most pertinent to the recovery program.

The background statements are accompanied by separate analyses of the prospective part of each country in the recovery program. Since increased production is the keystone to European economic recovery, particular attention is given in the studies to the production programs contained in the report of the Committee of European Economic Co-operation. These programs have been analyzed and evaluated by United States technical working groups, after further explanations of the Paris report by CEEC representatives who came to Washington early in October for this purpose.

¹These studies include chapter I, Introduction; chapter II, Austria; chapter III, Belgium and Luxembourg; chapter IV, Denmark; chapter V, France; chapter VI, Greece; chapter VII, Iceland; chapter VIII, Ireland; chapter IX, Italy; chapter X, The Netherlands; chapter XI, Norway; chapter XII, Portugal; chapter XIII, Sweden; chapter XIV, Switzerland; chapter XV, Turkey; chapter XVI, The United Kingdom; chapter XVII, Western Germany.

American technical groups have also sought to estimate the probable scope and direction of the trade of the participating countries, particularly during the first 15 months of the program.

With respect to the components of such trade, the United States technicians treated imports and exports in two broad categories. The first category includes a list of selected items which, with certain minor exceptions, were those intensively studied by the CEEC technical committees. This category also includes certain other major commodities exported from the United States in which supply problems are likely to arise. The second category includes all other imports and exports.

The estimates in the first category for each country should be recognized as probably more accurate as to each commodity than the estimates in the second category. This is particularly the case on the import side. Special United States commodity committees were established to study production, import and export potentialities of items on the selected list. Moreover, these items are those in which, by and large, there has been wide experience in forecasting international supply and requirements.

On the basis of the analyses mentioned above, estimates of the balance-of-payments positions of the respective countries were prepared. The balance-of-payments estimates as well as the estimates of production, exports, and imports must be understood as illustrative of what might be expected. They are not accurate forecasts. In setting forth estimates of imports there is no intention to suggest specific allocations or to attempt to direct patterns of trade.

These estimates relate, in large part, to actions which are to be taken by the European countries themselves. The difficulty of forecasting the economic and political conditions in those countries in the future is patent. The Executive departments, in arriving at their estimates had, of course, to base them on assumptions as to future events, to make decisions based on judgment, and to try to weigh imponderables. These estimates contain those departures from full accuracy which are necessarily inherent in all forecasts of so complex a problem. Nevertheless, it is believed that careful consideration has been given to relevant factors and that the estimates taken as a whole represent correct orders of magnitude.

No Provision for Military Bases in European Recovery Program

[Released to the press January 17]

In view of the misquotations of Secretary Forrestal's testimony before the Senate Foreign Relations Committee on January 15 in relation to a possible connection between the European Recovery Program and overseas bases, the Secretary of State issued the following statement on January 17:

"The program of United States assistance to European recovery which is now being considered by the Congress does not provide for nor contemplate the acquisition of military bases for the United States in return for economic assistance to the European countries. The intent of the American aid is only to enable the European nations participating in the recovery program to re-establish their economic health and vigor."

There is no contradiction between the purpose outlined above and the statements of Secretary Forrestal. In reply to a question concerning the importance of overseas bases, Mr. Forrestal, as Secretary of National Defense, stated he would not quarrel with this thesis and added:

"I am sure that the Secretary of State will have it in mind. I simply want to underline my own belief that in order of priority I would place the fundamental recovery of national confidence and the belief in survival on the part of these nations that we are trying to help."

Charles E. Moore Consultant to AMAG

The Department of State announced on January 8 the appointment of Charles E. Moore, an authority on machine-tool techniques, as a consultant to the American Mission for Aid to Greece.

Mr. Moore, who recently joined the Mission in Athens, will make a study of the utilization of machine tools in the Greek-aid program, including the approximately one million dollars of machine tools brought by UNRRA into Greece. He will supervise distribution of machine tools and determine Greece's additional machine-tool requirements for aiding reconstruction and rehabilitation.

Burton Y. Berry Assigned to AMAG

The Department of State announced on January 13 the assignment of Burton Y. Berry, a veteran Foreign Service Officer, as special assistant to Dwight P. Griswold, Chief of the American Mission for Aid to Greece. Mr. Berry sailed on January 9 and is scheduled to arrive in Athens on January 26.

China To Send Mission to U.S. on Aid Program

[Released to the press January 15]

The Chinese Government recently informed the Department of State that it was prepared to send a small technical mission to the United States in connection with the aid program for China. The Department of State replied that it would welcome such a mission. It is expected that the mission will be of assistance to the Department of State and other concerned Government agencies and that it will be prepared to discuss the present economic situation in China and measures that the Chinese Government is undertaking.

It is understood that Mr. Pei Tsu-i, former Governor of the Central Bank of China, who will head the technical mission, is scheduled to arrive in Washington on January 16.

World Maritime Organization—Continued from page 107

time Consultative Council by notification to the government of the United Kingdom in accordance with Article V (1) thereof."⁴¹

Annexed to the recommendations were a draft convention for an intergovernmental maritime consultative organization and a document headed "Agreement for Provisional Maritime Consultative Council".

In a telegram of October 30, 1946, the chairman of the second session of the United Maritime Consultative Council informed the Secretary-General of the United Nations of the action taken.⁴²

⁴¹ BULLETIN of Dec. 15, 1946, p. 1094.

⁴² U.N. doc. E/CN.2/4, Jan. 10, 1947, p. 7.

Necessity for International Cooperation in Aviation Matters

STATEMENT BY LAURENCE S. KUTER¹

U. S. Representative to ICAO

[Released to the press January 13]

The report of the President's Air Policy Commission is a remarkable American document. The five members of the Commission should be congratulated for a demonstration of vision, realism, and foresight which matches that of the Morrow board a quarter of a century ago.

Most of the report is addressed to the domestic aviation problems of the United States, military and civil. In order properly to approach those problems, the Commission naturally found it essential to consider fundamental questions of the national security.

I heartily agree with the Commission that the United States must work to achieve world peace through support and development of the United Nations and the specialized agencies such as ICAO. Meanwhile, as the Commission says, unilateral disarmament by the United States is out of the question.

This viewpoint is related to the committee's recognition and endorsement of a "double-barreled" policy and is also singularly appropriate to the position of the United States in ICAO. In this organization we take a leading position in whole-hearted support to the basic premise in the convention "whereas the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world", meanwhile honestly acknowledging that civil commercial air strength is an important element in the air power of the nation.

In its recommendations dealing with civil commercial air transport, the Commission lays prime emphasis upon the need for greater safety and regularity of airline operations. I agree with the Commission that even though airline travel is much safer than is generally realized, the record must be improved. Such improvement is a matter of the greatest urgency.

The figures as to the typical experience of regular air travelers with respect to late departures and late arrivals as published by the Commission can only be described as shocking. It is obvious that this problem must continue to receive an increasing amount of attention by the airlines.

As the Commission says, however, the basic requirement for substantial improvement in safety and regularity of the airlines is an adequate system of air-traffic control navigation and landing aids. I agree with the Commission that the development and financing of such a system of aids should be given top priority.

This problem must be met and solved not only within the United States. It is equally acute on all of our international air routes. While few international routes carry as much traffic as certain of our domestic routes, the technical facilities to assist air navigation on most of the world routes are far from adequate even for present traffic levels.

It was my privilege to bring this problem to the attention of the Commission when I appeared before it. I am naturally delighted that the Commission has given so strong an endorsement to the ICAO program for the joint international financing, where it is truly necessary, of air-navigation facilities along world air routes. This is a program which, in my opinion, is a good investment for the United States.

¹ Made in Montreal, Canada, on Jan. 13, 1948, upon release of *Survival in the Air Age, A Report by the President's Air Policy Commission.*

U.S. Rejects Yugoslav Demand for Immediate Release of Frozen Assets

EXCHANGE OF NOTES BETWEEN THE SECRETARY OF STATE AND THE YUGOSLAV AMBASSADOR

[Released to the press January 14]

Text of note from Secretary Marshall to the Ambassador of the Federal People's Republic of Yugoslavia delivered on January 14

The Secretary of State presents his compliments to His Excellency the Ambassador of the Federal People's Republic of Yugoslavia and has the honor to acknowledge the receipt of the Ambassador's note Pov. Br. No. 1 of January 2, 1948 concerning Yugoslav assets frozen in the United States and claims of the United States and its nationals against Yugoslavia.

Claims of United States nationals against Yugoslavia for compensation for properties expropriated by the Yugoslav authorities through nationalization or on other bases exceed 42 million dollars. In addition the United States claims compensation for two United States airplanes shot down by Yugoslav forces in August 1946. United States accounts with Yugoslavia in regard to lend-lease, pre-UNRRA civilian relief etc. are also still outstanding. Several further minor matters are likewise unsettled.

The Ambassador will recall that, following various previous informal approaches, the Yugoslav Government in March 1947 indicated its desire to negotiate with a view to the settlement of outstanding problems relating to the expropriation of American interests in Yugoslavia and to Yugoslav blocked assets in the United States. In its reply the United States Government stated that it would welcome the early initiation of such negotiations and added that in its view such negotiations should simultaneously also cover the settlement of lend-lease accounts between Yugoslavia and the United States and any other financial claims of one Government against the other which had arisen subsequent to the outbreak of war. On that basis negotiations were undertaken on May 19. During these negotiations the United States has consistently sought a general settlement of this nature.

In an effort to achieve a satisfactory compromise solution the United States offered to accept a lump

sum of 20 million dollars as settlement for expropriated American property in Yugoslavia and in compensation for other outstanding United States claims except for the lend-lease and civilian relief accounts with respect to which it also offered to accept a reasonable amount in Yugoslav currency. This offer constituted an earnest effort to expedite a settlement of the matters at issue with Yugoslavia in this regard. The Yugoslav Government summarily dismissed this effort. The Ambassador will recognize that in so doing the Yugoslav Government manifestly relieved the United States of any further obligation with regard to such offer.

The Yugoslav Government for its part made an obviously unrealistic counter offer of 5,187,000 dollars in reimbursement for losses suffered through expropriation by a strictly limited category of claimants. It excluded from this offer the claims, among others, of United States citizens naturalized during and since the war even though such claimants were United States citizens at the time their properties were expropriated. With respect to these excluded claims the Yugoslav Government proposed to postpone consideration until some later time, leaving the sum of 2,500,000 dollars of its assets in this country pending a final agreement.

The Yugoslav Government also expressed willingness to settle the lend-lease and pre-UNRRA civilian relief accounts in local Yugoslav currency but has offered only 300,000 Yugoslav dinars for that purpose. The United States lend-lease expenditures on account of Yugoslavia amounted to 32 million dollars and its share in pre-UNRRA civilian relief over 6 million dollars.

The Yugoslav Government bases its figure of 5,187,000 dollars on a publication regarding American interests in Yugoslavia issued by the United States Department of Commerce in 1942. As the Ambassador has been previously informed, the Department of Commerce considers that figure as constituting only an unsupported estimate concerning a limited category of such investments. In the view of the Department of

Commerce any reliance which might have been placed upon that figure becomes unrealistic by comparison with the subsequent survey published by the United States Treasury in 1947 which lists American-owned assets in Yugoslavia as of May 31, 1943 at 50,300,000 dollars. The latter figure includes certain assets registered in the United States which were not at the time the property of American citizens and is subject to revision in the light of developments since May 31, 1943. That it is more accurate than the earlier Department of Commerce figure is confirmed, however, by the total of 42,300,000 dollars which the Department of State's records indicate as the total claims of United States nationals for expropriated property in Yugoslavia as set forth above.

The Ambassador's note under acknowledgment contains a number of allegations concerning United States motives in these negotiations. All of these allegations have previously been dealt with in oral discussions with the Ambassador and it should not be necessary to refute them once again. It may be noted, however, that the Ambassador charges that the United States by continuing to freeze Yugoslav monetary reserves intends to obstruct the economic reconstruction of Yugoslavia and to hinder Yugoslavia's participation in the general reconstruction of Europe. In this connection, it will be recalled that the United States has already freely contributed to the economic reconstruction of Yugoslavia some 288 million dollars as its share (72 percent) of UNRRA's expenditures in that country, advanced approximately 6 million dollars to Yugoslavia in pre-UNRRA civilian relief and is now further sharing substantially in the program of the International Children's Emergency Fund which has established a major allocation for Yugoslavia. In addition, material charitable donations have been made to Yugoslavia by various relief organizations in the United States. As for Yugoslavia's part in the economic reconstruction of Europe, the Yugoslav Government has not only declined to participate in, but has even actively attacked, the common European recovery program.

The Ambassador also charges that the United States is violating the Bretton Woods Agreement. The Secretary of State is unable to comprehend the applicability of the Bretton Woods Agreement to this situation.

The Secretary of State notes that the Yugoslav Government is prepared to continue the negotiations with regard to compensation for American enterprises in Yugoslavia. In assuring the Ambassador that the United States, on its part, is equally anxious to attain an expeditious solution of all the various matters at issue between the two Governments in this connection, the Secretary of State expresses his confidence that, if the Yugoslav

Government is disposed to provide the United States Government and its nationals the adequate and effective compensation for losses and expenditures to which they are justly entitled, it will be possible to achieve at an early date a satisfactory general settlement, to include arrangements concerning Yugoslavia's assets in this country, as originally contemplated.

DEPARTMENT OF STATE,

Washington, January 14, 1948.

Text of the Yugoslav note of January 2, 1948, to Secretary Marshall

The Ambassador of the Federal Peoples Republic of Yugoslavia presents his compliments to the Honorable the Secretary of State and on behalf of the Government of the Federal Peoples Republic of Yugoslavia has the honor to draw the attention of the Government of the United States of America once again to the following:

Before the German attack on and occupation of Yugoslavia, the National Bank of Yugoslavia transferred the major part of its monetary reserves to the United States and entrusted them to the Federal Reserve Bank in New York. This place of security was chosen because it was deemed that there the monetary reserves would be safest from Nazi plunder and best protected from use for Hitler's war purposes; it was expected that immediately after the end of the war they would be returned to the National Bank of Yugoslavia, for use for their proper and original purposes.

As is known, the Government of the United States during the war, under the Trading with the Enemy Act, froze all assets of enemy and neutral states, as well as of allied countries which were under or threatened with enemy occupation, because of the danger that these assets might be seized by the quisling governments and used for war purposes.

As early as May, 1941, the Government of the United States itself had suggested that the Yugoslav reserves be transferred to the Yugoslav Government-in-exile. Moreover, the Government of the United States permitted unlimited use of these reserves by the Yugoslav Government-in-exile, which disposed of a large amount. The Government of the United States did not interfere with this spending even when it became obvious that the Government-in-exile was using these resources against the common war effort of the allied nations.

When, on March 5, 1945, the Government, recognized by all the Great Allies, was formed in Yugoslavia, it was the natural expectation that full right to dispose of all Yugoslav assets in the

United States would be granted to that Government, or to the National Bank of Yugoslavia.

The Yugoslav Government and the National Bank were told at that time that it was necessary only to authorize the responsible Yugoslav representative in Washington to obtain the assets. However, when this suggestion was put into effect, the Department of State declined to authenticate the signature of the authorized representative, making presentation of the authorization to the Federal Reserve Bank impossible. All requests for the performance of this formality were fruitless. The Department of State would not even explain its attitude, and so completely prevented discussion of this question.

Finally, in May, 1947, negotiations were started in Washington on the initiative of the Yugoslav Government. During these negotiations the representatives of the United States requested that various American claims for nationalized and other properties, many of which originated considerably after the transfer of the Yugoslav assets to the United States, be first paid from the Yugoslav monetary reserves, to a total amount of \$42,300,000, of which \$41,300,000 was for industrial enterprises, \$700,000 for real estate and \$300,000 for agricultural property. The American delegation reached these sums through exaggerated evaluation of prewar American investments, as well as by adding claims for investments which were neither of American origin nor made in American currency, and whose owners became naturalized American citizens only during or after the war. Moreover, the American delegation included claims of certain Yugoslav Volks-Deutchers — claims groundlessly labeled as American. Later, these claims were reduced by the United States Government from \$42,300,000 to \$20,000,000, which amount still is four times the official American evaluation. According to the official American statistics of the Department of Commerce, published in 1942, total American investments in Yugoslavia at the end of 1940 amounted to \$5,187,000, of which \$1,300,000 represented commercial enterprises which have not been nationalized at all. It must be stated also that nationalized enterprises had been damaged during the war, especially the largest two American-owned industrial enterprises, which suffered heavy damages through bombing by the Allied Air Forces.

When all this is considered, the inacceptability and incongruity of the claims of the American Government are obvious. The surprise of the Yugoslav delegation was the greater because the request of the American Government, placing monetary reserves on the same level with various claims, among them even some originating from long-term investments, was without precedent in international relations. Moreover, this request

represented an unquestionable violation of the Bretton Woods Agreement, signed in Washington by forty-three (43) Allied nations, including the United States and Yugoslavia.

Nevertheless, at the beginning of November, 1947, the Government of Yugoslavia made another effort, prepared for a great sacrifice in order to reach an agreement. The representatives of the Yugoslav Government offered the immediate payment of \$5,000,000 for the prewar American investments, with a substantial guaranty for the remaining claims. When this offer too was rejected, it was asked how it was that the American Government did not unfreeze and put at the disposal of the National Bank at least that part of the monetary reserve which exceeded the amount of the American claims. This question remained unanswered.

From the end of the war up to this date the Government of the United States has unfrozen the monetary reserves of all the Allied and neutral countries. Yugoslavia is the only country which so far has been unable to recover the property which it entrusted to the United States to save from the fascist plunderers. Recently a decision was reached, with the Government of the United States participating, that the gold which Hitler had seized throughout Europe be returned to its former owners. Under this decision, not only Italy is receiving back its gold, but also the former enemy nation, Austria, with which a peace treaty still has not been signed.

For all these reasons, the Government of the Federal Peoples Republic of Yugoslavia considers it necessary once again to draw the attention of the Government of the United States to this question, and, before undertaking other means for the settlement of this problem, wishes to stress the following:

(1) The Government of the Federal Peoples Republic of Yugoslavia again asserts its readiness to continue negotiations on compensation for American enterprises nationalized in Yugoslavia, such compensation being guaranteed by the Law of Nationalization. But the Government of the Federal Peoples Republic of Yugoslavia firmly refuses to concede that the question of the unfreezing of the monetary reserves and the other assets of the National Bank be contingent upon previous agreement on the other questions.

(2) Further delay in the unfreezing of these reserves, under whatever pretext, can be interpreted only as an intention to obstruct the economic reconstruction of Yugoslavia and to hinder her participation in the reconstruction of European economy, thus hampering the reconstruction of Europe in general.

WASHINGTON, D.C.,
January 2, 1948.

Status of General Agreement on Tariffs and Trade

[Released to the press January 15]

The general agreement on tariffs and trade negotiated at Geneva has been brought into force provisionally by the United States and eight other countries. These countries are: Australia, the Belgium-Netherlands-Luxembourg Customs Union, Canada, Cuba, France, and the United Kingdom.

On the part of the United States, the agreement became provisionally effective to the extent specified in the President's proclamations dated December 16, 1947¹ and January 2, 1948² (Department's press releases 973 and 5, respectively).

According to the latest available information, the present status of the general agreement in each of the other countries named above is as follows:

Australia

The Australian Government gave provisional effect to the general agreement on November 18, 1947, including all of the tariff concessions provided for in schedule I of the agreement. These agreement rates apply to all countries to which Australia extends most-favored-nation treatment, irrespective of whether or not they are parties to the agreement.

Belgium-Netherlands-Luxembourg Customs Union

The Customs Union of Belgium, Luxembourg, and the Netherlands (Benelux) gave provisional effect to the general agreement on January 1, 1948, including the rates of duty appearing in schedule II, section A, of the general agreement, covering Luxembourg and the metropolitan territories of Belgium and the Netherlands. At the same time, for a temporary period, certain of these rates applicable to a number of highly essential products are being suspended in whole or in part. The new rates of duty are applicable to imports from the countries which participated in the Geneva negotiations and to imports from such other countries as enjoy most-favored-nation treatment. At present most-favored-nation treatment is granted to all other countries.

With respect to the rates of duty in sections B to E inclusive of schedule II, covering the Belgian Congo and Ruanda-Urundi, the Netherlands East Indies, Curaçao, and Surinam, respectively, the Governments of Belgium and the Netherlands have indicated that they expect it will be administratively possible to put these rates into effect by June 30, 1948, and possibly sooner.

¹ Proclamation 2761A (12 *Federal Register* 8863).

² Proclamation 2761 (13 *Federal Register* 21).

Canada

The Canadian Government gave provisional effect to the general agreement as from January 1, 1948. All of the tariff concessions granted by Canada in schedule V of the agreement were made effective on that date with the exception of (1) rates of duty which are applicable to products of primary interest to countries represented at Geneva but which did not put their schedules of tariff concessions into effect on that date; (2) the new seasonal specific duties on certain fresh fruits and vegetables, the change to which from the present ad valorem duties with specific advanced seasonal valuations requires new legislation; and (3) the new duty of 15 percent ad valorem on tinplate imported from British countries eliminating the preferential margin, which likewise requires new legislation.

The most-favored-nation rates of duty provided for in part I of schedule V are applicable to imports from all countries entitled to most-favored-nation treatment in Canada.

Cuba

The Cuban Government gave provisional effect as of January 1, 1948, to the exclusive agreement between Cuba and the United States supplementary to the general agreement and to the general agreement itself so far as the United States and Canada are concerned. On January 17, 1948, it will make effective the provisions of the general agreement so far as the following countries are concerned: Australia, Belgium, France, Luxembourg, the Netherlands, and the United Kingdom. In the case of some of these countries the Cuban rates of duty will apparently be applicable only to the metropolitan areas.

France

The French Government gave provisional effect as of January 1, 1948, to the tariff concessions granted by France in section A of schedule XI of the general agreement. These concessions apply to imports into metropolitan France and Algeria, and to imports into Guadeloupe, Martinique, French Guiana, and Réunion to the extent that the French tariff applies in these colonies. The benefit of these concessions is extended to imports from Australia, Belgium, Canada, Luxembourg, the Netherlands, the United Kingdom, and the United States.

The rates of duty provided for in section A of section XI have been made an integral part of the new French import tariff, which became effective on the same date. The rates specified in this new tariff represent the minimum, or most-favored-nation, tariff. General (or maximum) tariff rates have been established at three times the minimum rates. For the time being, however, the collection of both minimum and general import duties has been suspended, except for a specified list of commodities. With respect to this list of commodities, the minimum rates of duty are at present applied to imports from the countries named above, while the general rates of duty are applicable to imports from all other countries.

The tariff concessions applicable to imports into the French overseas territories, provided for in sections B to N inclusive of schedule XI, will be made effective at a later date to be announced by the French Government. The concessions in these sections are applicable to imports of the products specified into the following French territories, respectively: (B) French Equatorial Africa (Gabon area outside the conventional Congo Basin); (C) French West Africa; (D) French Somaliland; (E) French Oceania; (F) Guadeloupe; (G) French Guiana; (H) Indochina; (I) Madagascar; (J) Martinique; (K) New Caledonia; (L) Réunion; (M) St. Pierre and Miquelon; (N) Tunisia.

United Kingdom

The Government of the United Kingdom gave provisional effect on January 1, 1948, to the tariff and preference concessions granted in schedule XIX, section A, of the general agreement, applicable to imports into the metropolitan territory, with the exception of the following items on which Parliamentary action is required and on which the United Kingdom is free to maintain the existing rates until September 1, 1948: prunes, artificial silk, silk and nylon stockings, sparkling and still wines, motorcycles, agricultural tractors, perfumed spirits, and silk garments. Provisional effect was also given on January 1, 1948, to schedule XIX, section B, applicable to imports into Newfoundland. The provisions of schedule XIX, section C, applicable to the dependent territories of the United Kingdom, have been suspended pending renegotiation, as announced in the Department's press release no. 978, dated December 19, 1947; however, the general provisions of the agreement will be applied in these territories. The date on which the provisions of schedule XIX, section D, applicable to the Malayan Union, are to become applicable will be announced by the Government of the United Kingdom. The tariff concessions on imports into Palestine, provided for in schedule XIX, section E, became effective January 1, 1948.

More detailed information may be obtained from the Office of International Trade, Department of Commerce, including the following: (1) products on which the Benelux and French rates of duty are for the time being suspended; (2) Canadian tariff concessions included in schedule V not yet made effective.

The remaining countries represented at Geneva have until June 30, 1948, to give provisional effect to the general agreement. These countries are: Brazil, Burma, Ceylon, Chile, China, Czechoslovakia, India, New Zealand, Norway, Pakistan, Southern Rhodesia, Syro-Lebanese Customs Union, and the Union of South Africa. As each of them signifies its intention to put its tariff concessions into effect a further proclamation will be issued by the President giving effect to United States rates of duty in schedule XX now withheld on items of primary interest to such countries.

Nonenemy Status of Italy, Bulgaria, Hungary, and Rumania

STATEMENT BY THE SECRETARY OF THE TREASURY

[Released to the press by the Treasury Department January 16]

The Secretary of the Treasury announced on January 16 that the Governments of Italy, Bulgaria, Hungary, and Rumania, and nationals thereof, are no longer deemed to be "enemy nationals" within the meaning of general ruling no. 11.¹

Treasury officials pointed out that this action, which is in the form of an amendment to public circular no. 25, was taken in view of the ratification of the treaties of peace with Italy, Bulgaria, Hungary, and Rumania. The amendment does not authorize transactions under certain Treasury licenses, nor does it in any way affect the definitions appearing in Executive Order 9193, which established the Office of Alien Property.

It was also announced that the Treasury Department is prepared, in appropriate cases, to grant licenses for payments to creditors resident in the United States of business organizations and individuals in Bulgaria, Hungary, and Rumania from blocked accounts in this country in which the debtors have an interest. It was recalled that on May 20, 1947, a similar announcement was made concerning payments to creditors of persons in Italy.

Treasury officials explained that the step with respect to Bulgaria, Hungary, and Rumania is

¹ General ruling no. 11 was issued under Ex. Or. 8389 (7 *Federal Register* 2168).

being taken even though the final disposition of the blocked assets of these countries has not been determined. They pointed out, however, that in taking this step the Treasury Department is in substance applying to its unblocking procedures the principles of Public Law 671, 79th Congress, which authorizes the Office of Alien Property to pay debt claims of American citizens out of vested assets of their Bulgarian, Hungarian, and Rumanian debtors.

It was stated that, in general, licenses will be issued only in those instances where the debt was incurred either prior to the date of the blocking of the country involved or as a result of a transaction entered into subsequent to that date pursuant to a license specifically authorizing the use of blocked funds.

U. S. Representative and Advisers to ITU Council

[Released to the press January 8]

The Department of State announced on January 8 that the President had appointed the United States Representative and Advisers to the Administrative Council of the International Telecommunication Union (ITU). The Council is scheduled to meet at Geneva on January 20, 1948.

Francis Colt de Wolf, Chief of the Telecommunications Division, Department of State, will serve as the United States Representative. Helen G. Kelly, Telecommunications Division, and John D. Tomlinson, Assistant Chief of the Division of International Organization Affairs, both of the Department of State, will serve as Advisers.

The Administrative Council was provided for by the new international telecommunication convention drawn up at Atlantic City this past summer, which revised the structure of the ITU. The Council is charged with implementing the provisions of the Atlantic City convention and regulations, coordinating the work of the Union, and considering and solving problems arising in the interim between plenipotentiary conferences, which meet every five years. There are 18 governments, elected by the conference, represented on the Council.

Although the convention setting forth the reorganization of the Union does not go into effect until January 1, 1949, a protocol to the convention was signed at Atlantic City providing for the immediate establishment of the Administrative Council on a provisional basis. It is expected that the Council will normally meet at least once a year at Geneva, the seat of the International Telecommunication Union.

Transfer of Nondemilitarized Combat Matériel

[Released to the press January 5]

The following is a list of authorizations and transfers of surplus nondemilitarized combat matériel, effected by the Department of State in its

capacity as foreign surplus and lend-lease disposal agent, during the months of February, May, June, August, September, October, and November 1947 and not previously reported to the Munitions Divisions.

AUTHORIZATIONS AND TRANSFERS OF SURPLUS NONDEMILITARIZED COMBAT MATÉRIEL

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
				1947
Brazil	Spare parts for armored light car M8, and half-track car M2.	\$16, 227. 81	\$8, 113. 91	Nov. 4
Canada	Spare parts for light tank M3A1	387, 205. 07	19, 860. 25	" 5
	VT fuzes (time fuze)	4, 149, 936. 00	5, 000. 00	" 19
Chile	Spare parts for tanks	935, 491. 65	99, 274. 58	" 5
	Eight AT-11 aircraft (trainers)	667, 208. 00	160, 000. 00	Sept. 29
Cuba	Drill cartridges, miscellaneous equipment	37, 629. 88	3, 640. 45	Nov. 3
	One patrol craft, escort	1, 786, 700. 00	33, 500. 00	" 18
Denmark	10 German "E" (motor torpedo boats) (awarded to the United States by the Tripartite Naval Commission).	Captured enemy equipment	42, 500. 00	June 25, 30
Ecuador	12 P-47D, one AT-7 or AT-11 aircraft	1, 275, 654. 00	98, 000. 00	May 7
Egypt	9 minesweepers	5, 240, 250. 00	540, 000. 00	Sept.

SURPLUS NONDEMILITARIZED COMBAT MATÉRIEL—Continued

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
				1947
El Salvador	One AT-11 aircraft (advanced trainer) . . .	\$83,401.00	\$20,000.00	Oct. 7
	Spare parts for tanks	11,609.76	580.56	Nov. 13
	Metallic belt link and miscellaneous cartridges.	3,576.98	358.18	“ 24
	Miscellaneous cartridges, metallic belt link, shells, shot, rifle grenades, signals.	58,892.16	5,075.11	Oct. 28
Greece	11 minesweepers	6,404,750.00	660,000.00	Sept.
Mexico	4 patrol frigates.	9,408,000.00	50,000.00	Nov. 5
	5 patrol crafts, escort	8,933,500.00	150,000.00	“ 5
Norway.	10 German “E” motor torpedo boats (awarded to the United States by the Tripartite Naval Commission).	Captured enemy equipment	42,500.00	June 17, Aug. 4
Turkey	7 minesweepers	1,590,000.00	1,078,000.00	Feb.
Uruguay	One AT-6D aircraft (advanced trainer) . .	25,029.00	5,000.00	Oct. 2

AUTHORIZATIONS FOR RETRANSFER OF LEND-LEASE ARTICLES IN BRITISH MILITARY INVENTORY, APRIL 1 THROUGH SEPTEMBER 30, 1947

Retransferee government	Item	Quantity
Belgium	Engines, aircraft, Packard Merlin 266 (installed in British fighters on loan to Belgium, equipment for two squadrons).	
China	Gunsights, gyro, Mark XIV	18
Czechoslovakia	Propellers, Hamilton	4 ¹
	Spare blades for Hamilton propellers	4 ¹
Denmark	Ammunition, .5-inch	68,000 rds. ¹
	Guns, .5-inch Browning	18 ¹
	Spare barrels for .5-inch Browning guns	36 ¹
	Spare parts for the above guns, three years' requirements	
France	Ammunition, 3-inch .50 cal. low-angle practice cartridges	451 ¹
Greece	Ammunition:	
	.5-inch AP incendiary	500,000 rds.
	.5-inch ball	500,000 rds.
	.5-inch incendiary and tracer	150,500 rds.
	9 mm. ball	210,400 rds.
	.45-inch ball	91,882 rds.
	.30-inch ball	20,000 rds.
	Equipment surplus to British needs located in Greece, blanket authority, details of items and quantities not yet determined.	
New Zealand	Machine guns, Colt .5-inch (exact number undetermined, small quantity).	(1)
Sweden	Explosive composition, RDX A and A2	1,000 tons ¹
Turkey	Ammunition, .5-inch.	2,100,000 rds.

¹ Retransfer approved as outright sale; other retransfers approved subject to continuing U. S. right of recapture.

THE CONGRESS

Third Supplemental Appropriation Bill for 1948: Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 80th Cong., 1st sess., on the Third Supplemental Appropriation Bill for 1948. ii, 415 pp. [Department of State, pp. 223-336.]

Third Supplemental Appropriation Bill for 1948: Hearings Before the Committee on Appropriations, United States Senate, 80th Cong., 1st sess., on H. R. 4748, a bill

making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes. ii, 289 pp. [Department of State, pp. 119-153, 170-187, 272-3.]

Investigation of the National Defense Program: Hearings Before a Special Committee Investigating the National Defense Program, United States Senate, 79th Cong., 2nd sess. . . . Part 36, Surplus Property Abroad, and Part 39, Return of Overseas Surpluses, Maintenance of

Naval Establishments, Canal Project, Emergency Housing Program, Renegotiation of War Contracts . . . [Both parts indexed.]

Hearings Regarding the Communist Infiltration of the Motion Picture Industry: Hearings before the Committee on Un-American Activities, House of Representatives, 80th Cong., 1st sess., Public Law 601. October 20, 21, 22, 23, 24, 27, 28, 29, and 30, 1947. iv, 549 pp.

Consolidation of International Air Carriers (Chosen Instrument): Hearings Before a Subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, 80th Cong., 1st sess., on S. 987, a bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes. May 19, 20, 21, 22, 23, 24, 26, 28, June 2, 3, 4, and 5, 1947. iv, 821 pp. [Department of State, pp. 708-729, 804.]

Transfer of Property to the Philippines

By Executive Order 9921 (13 *Federal Register* 171), the President on January 12 authorized the Philippine Alien Property Administrator to transfer certain property to the Republic of the Philippines. The provisions of Executive Order 9921 are as follows:

1. The Philippine Alien Property Administrator is authorized to transfer to the Republic of the Philippines in accordance with the provisions of section 3 of the Philippine Property Act of 1946, as soon as practicable after final payment of claims, costs, and expenses of administration, any property, or proceeds thereof, vested in or transferred to him pursuant to the Trading with the Enemy Act, as amended, and the Philippine Property Act of 1946.

2. The Philippine Alien Property Administrator is authorized to transfer to the Republic of the Philippines in accordance with the provisions of section 3 of the Philippine Property Act of 1946, prior to final adjudication of claims, costs, and expenses of administration when he deems it to be administratively feasible, and without further consideration for such transfer, property, or proceeds thereof, vested in or transferred to him pursuant to the Trading with the Enemy Act, as amended, and the Philippine Property Act of 1946, against which, in the judgment of the Administrator, no substantial claims, expenses, or costs of administration are likely to be chargeable.

THE FOREIGN SERVICE

Consular Offices

The American Vice Consulate at Aruba, West Indies, was raised to the rank of Consulate on January 1, 1948.

The American Consulate at Port-of-Spain, Trinidad, British West Indies, was raised to the rank of Consulate General, effective January 1, 1948.

Appointments to Foreign Service Selection Boards

[Released to the press January 9]

Members of the two selection boards of the Foreign Service of the United States were announced January 9 by the Department of State. These boards, which are composed of four representatives of the Foreign Service and one public member, will prepare the list of officers recommended for promotion in 1948 under the promotion-up or selection-out system authorized by the Foreign Service Act of 1946. Similar boards were created for this purpose last year and were disbanded after submitting their lists. Members of the two new selection boards will be sworn in on January 12 in the office of Christian M. Ravndal, Director General of the Foreign Service, and will begin their work immediately. The boards will require from six to eight weeks to submit their lists.

Board A, which will consider Foreign Service officers in classes 2 and 3, is made up of—

Harold H. Tittmann, Jr., Ambassador to Haiti
 Monnett B. Davis, Consul General and Counselor of Embassy at Shanghai, with the personal rank of Minister
 Hugh S. Fullerton, Consul General and Counselor of Embassy at Paris
 Merwin L. Bohan, Counselor for Economic Affairs at Mexico City
 Clark Haynes Minor, public member, official of the International General Electric Company, New York City

Board B, which will consider Foreign Service officers in classes 4, 5, and 6, is made up of—

Joseph Flack, Ambassador to Bolivia
 James Hugh Keeley, Jr., Minister to Syria
 Howard K. Travers, Consul General at Vancouver
 H. Merrell Benninghoff, Consul General at Dairen
 James Henry Rowe, public member, official of the Commission on Organization of the Executive Branch of the Government, Washington

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Trade. Treaties and Other International Acts Series 1588. Pub. 2781. 31 pp. 10¢.

Agreement Between the United States of America and the Republic of the Philippines—Signed at Manila

Department of State Bulletin

July 4, 1946; amended by exchange of notes signed October 22, 1946; proclaimed by the President of the United States of America December 17, 1946; supplementary proclamation issued by the President January 8, 1947; entered into force January 2, 1947.

Air Transport Services: Routes to and from Fiji Island. Treaties and Other International Acts Series 1640. Pub. 2942. 4 pp. 5¢.

Agreement Between the United States of America and the United Kingdom of Great Britain and Northern Ireland Amending Agreement of February 11, 1946—Effected by exchange of notes signed at Washington December 20, 1946 and January 27, 1947; entered into force January 27, 1947.

Commercial Relations. Treaties and Other International Acts Series 1642. Pub. 2944. 3 pp. 5¢.

Agreement Between the United States of America and Chile Extending Agreement of July 30, 1946—Effected by exchange of notes signed at Santiago July 30, 1947; entered into force July 30, 1947.

Exchange of Official Publications. Treaties and Other International Acts Series 1654. Pub. 2962. 3 pp. 5¢.

Agreement Between the United States of America and Siam—Effected by exchange of notes signed at Bangkok September 5, 1947; entered into force September 5, 1947.

Germany: Distribution of Reparation, Establishment of Inter-Allied Reparation Agency, Restitution of Monetary Gold. Treaties and Other International Acts Series 1655. Pub. 2966. 31 pp. 10¢.

Agreement Between the United States of America and Other Governments—Opened for signature at Paris January 14, 1946; signed for the United States of America January 14, 1946; entered into force January 24, 1946.

The World Talks Over Its Food and Agricultural Problems. By N. E. Dodd. Conference Series 105. Pub. 3002. 7 pp. 10¢.

An article by the Chairman of the U.S. Delegation to the Geneva conference of the Food and Agriculture Organization of last August and September, describing the steps taken by that conference with regard to the world's current and long-range food problems.

Rice. Treaties and Other International Acts Series 1627. Pub. 2905. 7 pp. 5¢.

Agreement Between the United States, Brazil, and the United Kingdom, Modifying Agreement of December 21, 1943—Effected by exchange of notes signed at Rio de Janeiro December 23, 1946; entered into force December 23, 1946.

Health and Sanitation: Cooperative Program in Ecuador. Treaties and Other International Acts Series 1645. Pub. 2947. 13 pp. 5¢.

Agreement Between the United States and Ecuador, Further Extending and Modifying Agreement of February 24, 1942—Effected by exchange of notes signed at Quito June 21, 1947; entered into force June 21, 1947.

Health and Sanitation: Cooperative Program in Honduras. Treaties and Other International Acts Series 1646. Pub. 2953. 10 pp. 5¢.

Agreement Between the United States and Honduras, Amending and Extending Agreement of May 8, 1942—

Effected by exchange of notes signed at Tegucigalpa May 13, 1947; entered into force May 13, 1947; effective from May 1, 1947.

Treaty of Peace With Italy. Treaties and Other International Acts Series 1648. Pub. 2960. 511 pp. \$1.25.

Dated at Paris February 10, 1947; ratified by the President of the United States June 14, 1947; proclaimed by the President September 15, 1947; entered into force September 15, 1947.

Paris Peace Conference 1946: Selected Documents

[Released to the press January 17]

The Department of State released on January 17 a volume which contains a selection of documents setting forth the deliberations and recommendations of the Paris peace conference of 1946 attended by 21 nations. The conference was held for the purpose of considering the draft treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland which had been prepared by the Council of Foreign Ministers. Although the proceedings of the Paris conference have not been restricted they were prepared only in a few copies for official use and have therefore not previously been available to the general public.

Photographic reproduction has been employed in producing this volume, thus making available to the public facsimile copies of the documents in their mimeographed form as distributed at the conference. The compilation is divided into two main categories, dealing with (1) the participants, organization, and procedures of the conference, and (2) consideration of each of the five draft treaties in the primary commissions and in plenary sessions. There is also included an appendix of three supplementary documents concerning the statute of the Free Territory of Trieste.

This volume is for sale by the Superintendent of Documents, United States Government Printing Office, Washington 25, D.C., for \$6 a copy.

Foreign Agriculture

The Office of Foreign Agricultural Relations, Department of Agriculture, has consolidated its two monthly periodicals, *Agriculture in the Americas* and *Foreign Agriculture*, effective in January 1948. The combined publication is entitled *Foreign Agriculture*. Paid subscriptions are obtainable from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. For a sample copy write to the Office of Foreign Agricultural Relations, Department of Agriculture, Washington 25, D.C.

Erratum: Habana Meeting of U. N. Conference on Trade and Employment

Bulletin of January 11, 1948, page 39, first column, first paragraph, second line: Delete "will be forthcoming if trade is rigorously re—".

President's Budget on International Affairs and Finance¹

Our new international programs for European aid have been fully presented to the Congress in recent messages. The appropriation already enacted will provide "stopgap" assistance through next March to the European countries in most urgent need—France, Italy, and Austria—as well as aid to China. It is essential that we move as soon as possible to a positive program for promotion of European recovery.

In addition to the European Recovery Program, other international-aid programs for several countries, including China, are provided for under proposed legislation. Definite recommendations on these programs will be transmitted shortly. Also, I urge again enactment of the inter-American military cooperation bill proposed last May. Estimates of appropriations and expenditures for this group of programs have been included in the budget.

Expenditures. By far the largest international expenditures in the fiscal year 1949 will be under the European Recovery Program—4 billion dollars, in addition to 500 million dollars in the fiscal year 1948. Expenditures under other proposed legislation for aid are estimated at 60 million dollars in the fiscal year 1948 and 440 million dollars in the fiscal year 1949.

The Export-Import Bank will continue in the fiscal year 1949 to make loans to expand international trade and promote economic development, particularly in the Western Hemisphere. The need for such loans will decline, however, when the dollar problem of Western Hemisphere countries is eased as a result of purchases in these countries under the European Recovery Program. Disbursements of the Bank's funds will also decline because its large loan authorizations to several European countries are rapidly being exhausted during the current fiscal year. Plans for the European Recovery Program call for use of the Bank's facilities to administer loans made under the new program.

The largest expenditures for foreign relief now fall under the occupied-areas program. These expenditures are handled by the Army and are

chiefly for shipments of goods to prevent disease and unrest. They will increase in both the 1948 and 1949 fiscal years. The increase in 1948 will be caused largely by sharply higher prices, a severe German crop failure, extensive storm damage to Japanese crops, and the British dollar shortage. Since the United Kingdom is no longer able to meet dollar costs for essential supplies for the bizonal area of Germany, the United States is now assuming this expense. The British will continue to finance purchases from sterling areas. Expenditures under this program will increase still further in the fiscal year 1949 because all dollar costs of imports for relief in the bizonal area must be paid by the United States for the entire fiscal year.

Expenditures under the interim-aid and post-UNRRA programs will be completed in the fiscal year 1949. Most of the shipments under these programs will be made in the current fiscal year, but expenditures lag behind shipments.

Payments to the Philippine Republic to make partial compensation for war damage and to aid in its rehabilitation are now increasing. I renew the recommendation that the Congress enact legislation to carry out our pledge to provide certain benefits to Philippine veterans.

Estimates for the fiscal years 1948 and 1949 for membership in international organizations include disbursement of part of a proposed loan to the United Nations for construction of permanent headquarters.

The budget for the Department of State includes amounts needed under proposed legislation to carry out an effective foreign informational and cultural program. This program is essential in order to present to the world an accurate picture of United States policies and to counter misleading propaganda. An adequate information program will greatly increase the effectiveness of our international political and economic policies, especially in Europe.

Appropriations. A supplemental 1948 appropriation of 6.8 billion dollars is included in this budget for the first 15 months of the European Recovery Program. This appropriation would be available for obligation through the fiscal year 1949 and would be used mainly in that year. Experience with programs involving similar procure-

¹Excerpts from *The President's Budget Message for 1949 and Selected Budget Statements* which was released to the press by the White House on Jan. 10, 1948. See also S. Doc. 106, 80th Cong., 1st Sess.

ment problems indicates that the margin between the recommended appropriation and the 4.5-billion-dollar expenditure estimate during the same period is reasonable. To permit systematic and economical placement of orders for later delivery, appropriations must be substantially greater than expenditures in the initial phase of the program. In addition, bills for a portion of the goods shipped in one fiscal year are not paid until the following year, and this lag of expenditures is particularly significant in a large new program.

Other recommended 1948 supplemental appropriations, to be spent mainly in 1949 and later years, include 300 million dollars for other foreign-aid programs, 65 million dollars for the loan to

the United Nations for headquarters construction, and smaller amounts for Department of State programs.

Because of the large supplemental appropriations for international activities recommended for the fiscal year 1948, appropriations for 1949 total only 2.1 billion dollars. The two main items are 1,250 million dollars for the Army programs in occupied areas and an estimate of 450 million dollars for aid programs under proposed legislation. Recommended appropriations totaling 133 million dollars for Philippine programs are below estimated expenditures because a portion of the appropriations for the current year will remain available for expenditure next year.

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Expenditures			Appropriations, 1949
	Actual, 1947	Estimate, 1948	Estimate, 1949	
Reconstruction and stabilization:				
European Recovery Program (proposed legislation)		\$500	\$4,000	(1)
Other proposed aid legislation		60	440	² \$450
Export-Import Bank loans	\$937	736	500	
Treasury loan to United Kingdom	2,050	1,700		
Subscriptions to International Bank and Fund	1,426			
Reconstruction Finance Corporation loans to United Kingdom	-38	-40	-40	
U.S. Commercial Company	-47	63		
Greek-Turkish aid (act of 1947)		275	119	
Foreign relief:				
Foreign (interim) aid (Foreign Aid Act of 1947)		375	165	
Army (occupied countries)	514	998	1,250	1,250
Relief assistance to war-devastated areas (post-UNRRA)		272	60	
UNRRA	1,489	201	1	
International Refugee Organization		71	71	71
Other	3	(3)		
Philippine war damage and rehabilitation:				
Present programs	73	95	180	116
Proposed legislation for veterans' benefits			16	16
Membership in international organizations:				
Present programs	17	25	24	24
Proposed legislation		15	34	4
Foreign relations:				
Department of State:				
Present programs	111	160	164	151
Proposed legislation		20	16	20
Other	6	7	7	1
Total	6,540	5,533	7,009	2,104

¹ A 1948 supplemental appropriation of 6.8 billion dollars is anticipated for the period from Apr. 1, 1948, to June 30, 1949.

² A 1948 supplemental appropriation of 300 million dollars is also included in this budget.

³ Less than one-half million dollars.

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TOWARD A WORLD MARITIME ORGANIZATION

Part II

ARTICLE BY EULA McDONALD

Part I of this article, which appeared in the BULLETIN of January 25, gave a résumé of the antecedents and accomplishments of some of the significant organizations concerned with ocean shipping from 1897 to 1946, inclusive. Part II of the narrative continues with an account of major activities in this field since the end of 1946, the plans for the proposed Intergovernmental Maritime Consultative Organization, and a special section on the problem of safety of life at sea.

Provisional Maritime Consultative Council and the United Nations

As in the case of the concurrent activities in 1946 of the United Maritime Consultative Council and the Temporary Transport and Communications Commission of the Economic and Social Council, likewise in 1947 both the Provisional Maritime Consultative Council and the permanent Transport and Communications Commission of the Economic and Social Council met independently but aware of each other's functioning.

The Government of the United States had notified the Government of the United Kingdom of its acceptance of membership in the Provisional Maritime Consultative Council in November 1946.⁴³ The Economic and Social Council, at its session of December 10, 1946, in New York, had appointed the representatives of 12 countries who had been duly nominated by their respective governments to the permanent Transport and Communications Commission.⁴⁴

The permanent Commission began its first session on February 6, 1947, in New York. The provisional agenda, which had been prepared by

the Secretariat of the United Nations, contained a proposal for the establishment of a world-wide intergovernmental shipping organization. This proposal was included in the agenda pursuant to the resolution adopted by the Economic and Social Council on June 21, 1946.⁴⁵ In connection with this item of the agenda, the permanent Commission took note of (1) the comprehensive report of May 25, 1946, submitted by the Temporary Transport and Communications Commission in favor of an intergovernmental shipping organization, and (2) the similar recommendations of the United Maritime Consultative Council. The permanent Commission did not consider a more detailed study necessary. Accordingly it decided, in compliance with its terms of reference, to recommend to the Economic and Social Council the establishment of a world-wide intergovernmental organization to deal with technical matters in the realm of shipping. Since, however, the draft recommendations of the United Maritime Consultative Council were not limited to the technical field, the Commission proceeded to adopt a draft resolution which contemplated a range of activities broader in scope than those confined to technical aspects alone.

⁴³ BULLETIN of Dec. 1, 1946, p. 1002; United States membership was effective Nov. 20, 1946. Of the other countries which had participated in the Washington meeting of October 1946, a sufficient number to bring the new Council into existence informed the Government of the United Kingdom of their acceptance of the "Agreement for Provisional Maritime Consultative Council".

⁴⁴ U.N. doc. E/CN.2/SR.1, Feb. 6, 1947, p. 2.

⁴⁵ BULLETIN of Jan. 25, 1948, p. 106.

This resolution requested the Economic and Social Council to take action to the effect that the Secretary-General of the United Nations be instructed to call a conference for the purpose of establishing an intergovernmental shipping organization and to circulate with the invitations to the conference the draft convention prepared by the United Maritime Consultative Council, which should form the basis for discussion at the conference.⁴⁶ The resolution specified that the conference should be held in Europe, preferably in the fall of 1947.⁴⁷

The Economic and Social Council, meeting on March 28, 1947, took note of the report of the first session of the Transport and Communications Commission and adopted a resolution requesting the Secretary-General of the United Nations among other things to convene a conference for the purpose mentioned; to circulate the draft convention prepared by the United Maritime Consultative Council to all of the invited governments with the notation that any comments or amendments which they might wish to offer in advance of the meeting should be sent to the Secretary-General for submission to the other governments and for later consideration at the conference; and to draw up a provisional agenda for the conference. The resolution also expressed the hope that the invited governments would give their delegations full powers to sign the convention.⁴⁸

At this juncture the newly created Provisional Maritime Consultative Council, replacing the defunct United Maritime Consultative Council, began its activities. Its first meeting was held at Paris from May 16 to 20, 1947, at the invitation of the French Government.

Under the terms of the agreement annexed to the recommendations adopted by the United Maritime Consultative Council at its Washington meeting in October 1946, the Provisional Maritime Consultative Council was designed to function temporarily, pending the establishment of the proposed world-wide organization, and in particular "to provide machinery for cooperation among Governments in the field of Governmental

regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation"; to "encourage the removal of all forms of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade"; to provide for consideration of the shipping problems which may be referred to the Council by the United Nations; and to arrange for information on matters before the Council to be disseminated among the member governments.⁴⁹ Included in the functions of the Provisional Maritime Consultative Council was the responsibility for advising on questions relating to the draft constitution of the proposed permanent maritime organization.

The agreement provided further that the membership of the Provisional Maritime Consultative Council should consist of those governments which notified the United Kingdom of their acceptance of the agreement from among the members of the former United Maritime Consultative Council or members of the United Nations; that an Executive Committee consisting of 12 member governments should be established after 20 governments had accepted the agreement; that the Council should determine at each meeting the place and time for its next session, the first meeting to be held at any time after March 1, 1947; that the agreement should enter into force when 12 governments, of which 5 shall each have a total tonnage of not less than 1,000,000 gross tons of shipping, had accepted it; and that the agreement should terminate upon the entry into force of a constitution for a permanent intergovernmental organization or when membership falls below 12 members.

The following topics were discussed at the May 1947 meeting of the Provisional Council: (1) coordination of activities in the fields of aviation, shipping, and telecommunications affecting safety at sea and in the air; (2) economic discriminations in shipping; (3) the progress which had been made in restoring normal processes of international shipping business; and (4) uniformity of merchant-vessel statistics. It was decided to refrain from any discussion of the 1946 draft convention for a permanent organization in view of the full procedure adopted by the United Nations

⁴⁶ U.N. doc. E/270, Feb. 24, 1947, pp. 13-15, 30.

⁴⁷ U.N. doc. E/270/Add. 1, Mar. 7, 1947, p. 2.

⁴⁸ U.N. doc. E/408, Apr. 9, 1947, pp. 2-3.

⁴⁹ BULLETIN of Dec. 15, 1946, p. 1098.

for the collection and distribution of comments and suggestions for amendments by the interested governments.

An important part of the work of the May 1947 meeting was concerned with item 1, which resulted in the appointment of a committee of three to serve on an inter-organization committee on coordination of activities in the field of safety.

The United Kingdom Government was requested to undertake the secretarial duties of the Council and to make arrangements for the calling of the next meeting of the Council in the event that another meeting might be deemed necessary before the establishment of the proposed world-wide organization.

Safety of Life at Sea as a Major Problem

One of the major problems in the field of international nautical affairs is the prevention of loss of life at sea. This subject has been dealt with not only by some of the maritime organizations mentioned in the preceding sections of this article but also by special international conferences on the subject. This problem is of such importance in the evolution of international maritime collaboration as to warrant more detailed treatment at this point.

The International Marine Conference, held at Washington from October 16 to December 31, 1889, was the first "full-dress" international meeting to consider maritime problems. It dealt exclusively with questions of "safety for life and property at sea",⁵⁰ and its deliberations might be described as one of the initial efforts on the technical side of international collaboration in the field of shipping. The plans for holding such a meeting originated in the United States, the host country. The agenda, even in the light of progress and experience gained throughout the years since 1889, is noteworthy.

The conference adopted resolutions or recommendations pertaining to:

Regulations for preventing collisions at sea, including rules concerning lights, sound signals for fog, speed of ships in fog, steering and sailing, and distress signals;⁵¹

Regulations for the designation and marking of vessels;

Saving of life and property from shipwreck;

Qualifications for officers and seamen, including tests for sight and colorblindness;

Lanes for steamers on frequented routes, with special regard to the avoidance of steamer collisions and the safety of fishermen;

Night signals for communicating information at sea;

Reporting, marking, and removing dangerous wrecks or other obstructions to navigation;

Notices of changes in lights, buoys, and other day-and-night danger marks;

Uniform system of coloring and numbering buoys; and

Establishment of a permanent international maritime commission.

The last-named topic represents perhaps the earliest suggestion considered at a formal international meeting for a permanent multilateral maritime body. However, the conference resolved "That for the present the establishment of a permanent international maritime commission is not considered expedient".⁵²

The maritime nations were made acutely aware of the urgent need for closer international cooperation in the field of safety at sea by the *Titanic* disaster of 1912. This tragedy was the immediate cause for the convening of a diplomatic conference in London in the latter part of 1914 to consider measures to prevent the future occurrence of such calamities.⁵³ The conference drew up the convention of January 20, 1914, for the safety of life at sea. The intervention of World War I as well as other less influential factors prevented the convention from coming into force completely, although several of the signatory countries adopted portions of it.⁵⁴

⁵⁰ *Protocol of Proceedings of the International Marine Conference Held in Washington, D.C., . . . October 16 to December 31, 1889* (3 vols., Washington, Government Printing Office, 1890), vol. I, p. 1.

⁵¹ These regulations, which are a modification of the International Rules of the Road as adopted in 1884 by England and of those adopted by the United States in 1885 (23 Stat. 438), were enacted into law by the Congress of the United States in 1890 (26 Stat. 320) and, with some changes throughout the years, are still in force (33 U.S.C. 61 ff.).

⁵² *Protocol of Proceedings of the International Marine Conference*, vol. II, pp. 1365 ff.

⁵³ S. Doc. 463, 63d Cong., 2d sess. (Washington, Government Printing Office, 1914). See also BULLETIN of Nov. 3, 1946, p. 816.

⁵⁴ *Foreign Relations of the United States, 1929*, vol. I, p. 368.

The Government of the United States did not ratify the convention of 1914, but it did undertake the direction of the services of derelict destruction, study and observation of ice conditions, and the conduct of the international ice patrol in the North Atlantic, which it was invited to do by article 7 of the convention. Pursuant to an Executive order these services were performed by the vessels of the United States Coast Guard. Foreign nations contributed *pro rata* shares for the maintenance of the services.⁵⁵

The years brought added knowledge in the technical matters covered by the convention of 1914 as well as marked advancements in ship construction. These changed conditions prompted the British Government to make proposals for the convening of a conference to revise and amend the convention of 1914.⁵⁶ The proposals were made in the autumn of 1927 to the Government of the United States, which replied in January 1928 agreeing that consideration should be given to the revision of the convention and suggesting that the conference be held in the spring of 1929.⁵⁷

Before the conference met, another tragedy at sea focused the attention of the world on the importance of immediate safety measures. On November 12, 1928, the steamship *Vestris* sank off the Virginia Capes with the consequent loss of 110 lives.

The conference was held in London from April 16 to May 31, 1929. Out of its deliberations grew the existing convention for promoting safety of life at sea, which was signed on the last day of the meeting by the delegations of 18 governments. The United States became a party to this convention on August 7, 1936 (effective November 7), subject to three understandings bearing on American standards of safety.⁵⁸

Another international conference concerned

⁵⁵ *International Conference on Safety of Life at Sea, London, April 16–May 31, 1929; Report of the Delegation of the United States of America and Appended Documents* (Department of State publication 14), p. 16. See also Executive Order 2458, Sept. 20, 1916.

⁵⁶ *Foreign Relations, 1929*, vol. I, p. 379.

⁵⁷ *International Conference on Safety of Life at Sea*, pp. 16–17.

⁵⁸ Treaty Series 910, 50 Stat. 1121.

⁵⁹ Department of State, *Press Releases*, May 10, 1930, pp. 224–225; *ibid.*, Sept. 6, 1930, pp. 155–158. Treaty Series 853, 47 Stat. 2228.

⁶⁰ U.N. doc. E/270, Feb. 24, 1947, p. 16.

with safety at sea met in London on May 20, 1930, for the purpose of formulating international rules and regulations for determining the load lines of merchant vessels engaged in international trade. The 1929 conference had dealt with safety in respect to passenger ships. The British Government called the 1930 conference to consider the question of the seaworthiness of cargo ships. The conference closed its sessions on July 5, 1930, on which day the international load line convention and an accompanying final protocol were signed unanimously by the representatives of 27 governments participating in the conference.⁵⁹

The question of the coordination of activities in the fields of aviation, shipping, and telecommunications, with respect to safety and rescue at sea and in the air, was brought to the notice of the Temporary Transport and Communications Commission of the Economic and Social Council of the United Nations in 1946 as one of the substantive problems requiring early attention. The Temporary Commission requested the Economic and Social Council to give formal authorization for the examination of this problem.⁶⁰ The requested authorization was given by the Economic and Social Council at its second session, later in 1946.

The permanent Transport and Communications Commission, having replaced the Temporary Commission, took note of this action at its first session in February 1947. The permanent Commission also took cognizance of a note from the Government of the United Kingdom concerning the invitation of that Government for an international conference to revise the 1929 convention for promoting safety of life at sea, and recommended that the conference should be requested to invite the Provisional International Civil Aviation Organization, the Provisional Maritime Consultative Council, the International Telecommunication Union, and the International Meteorological Organization to appoint representatives to participate in a joint study of the means for coordination of the activities of the four organizations relating to air-sea rescue.

The Commission further proposed that a small interim committee consisting of representatives from the four organizations be set up, on the invitation of the Secretary-General of the United Nations, to prepare a factual report on the existing measures for coordination of safety and rescue

arrangements and if possible to make recommendations for further measures based on the considered views of the four organizations. It was proposed that the report be sent to the Secretary-General for the information of the Transport and Communications Commission and that a copy be forwarded for the consideration of the Conference on Safety of Life at Sea.⁶¹

The Economic and Social Council on March 28, 1947, adopted a resolution based on the recommendations of the Transport and Communications Commission. The resolution took note of the fact that the Government of the United Kingdom was prepared not only to invite the interested governments to participate in the conference but also to convene a preparatory committee of experts to consider preliminaries to the conference. The resolution instructed the Secretary-General of the United Nations to pursue his study of this problem, to keep in touch with the work of the preparatory committee and the conference itself, and to advise the Transport and Communications Commission of developments in this connection.⁶²

The resolution of the Economic and Social Council was considered fully by the delegates to the Paris meeting, in May 1947, of the Provisional Maritime Consultative Council, who decided that they should appoint three representatives of their organization to serve on the proposed preparatory committee for the conference. The Governments of Norway, the United Kingdom, and the United States were elected to furnish one shipping representative each, whereupon the delegations of each of the three countries put forward the names of individual experts. The first meeting of the preparatory committee was planned to be held in London in October 1947⁶³ but was postponed until January 27, 1948. The Conference on Safety of Life at Sea is itself scheduled to meet in London on April 16, 1948.

Proposed Intergovernmental Maritime Consultative Organization

The Washington meeting of the United Maritime Consultative Council held in October 1946⁶⁴ agreed to recommend to the member governments the text of a draft convention for an intergovernmental maritime consultative organization. At this meeting the Council also proposed, as an interim measure pending the establishment of a per-

manent organization, that a Provisional Maritime Consultative Council be established.

The "scope and purposes" of the permanent organization, as set forth in article I of the draft convention, are identical with the purposes of the Provisional Maritime Consultative Council as set forth in the interim agreement and digested hereinabove. In full, they are as follows:⁶⁵

"i. to provide machinery for cooperation among Governments in the field of Governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;

"ii. to encourage the removal of all forms of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination;

"iii. to provide for the consideration by the Organization of any shipping problems of an international character involving matters of general principle that may be referred to the Organization by the United Nations. Matters which are suitable for settlement through the normal processes of international shipping business are not within the scope of the Organization;

"iv. to provide for the exchange of information among Governments on matters under consideration by the Organization."

In article II the draft convention prescribes the functions of the organization as follows:

"Section 1. The functions of the Organization shall be consultative and advisory.

"Section 2. In order to achieve the objectives set out in Article I, the functions of the Organization in relation to matters within its scope shall be—

"(a) to consider and make recommendations upon matters arising under Subsections i and ii of Article I that may be remitted to it by Mem-

⁶¹ *Ibid.*, pp. 16-17.

⁶² U.N. doc. E/408, Apr. 9, 1947, p. 3.

⁶³ BULLETIN of Oct. 5, 1947, p. 676.

⁶⁴ BULLETIN of Dec. 15, 1946, pp. 1092 ff.

⁶⁵ BULLETIN of Dec. 15, 1946, p. 1094.

ber Governments, by organs of the United Nations, or by other intergovernmental organizations, or upon matters referred to it under Subsection iii of Article I;

“(b) to draft conventions, agreements, or other suitable instruments, and to recommend these to Governments and to intergovernmental organizations, and to convene such conferences as may be necessary;

“(c) to provide machinery for consultation and exchange of information among Member Governments.

“Section 3. In those matters which appear to the Organization suitable for settlement through the normal processes of international shipping business, the Organization shall so recommend.”

The draft convention provides that the organization shall consist of an Assembly; a Council; a Maritime Safety Committee and such other subsidiary organs as may be established by the organization from time to time; and a secretariat.

The Assembly is to consist of delegates of all the member governments, each member government being entitled to one vote. Regular meetings of the Assembly are to be held at least every two years. Extraordinary meetings may be convoked when one third of the member governments notify the Secretary-General that such a meeting is desired, or at any other time if considered necessary by the Council.

The functions of the Assembly will include the establishment of any temporary or, upon recommendation of the Council, permanent subsidiary bodies it may deem necessary; election of the member governments to be represented on the Council; deciding upon questions referred to it by the Council; consideration of the Council's reports; determination of the financial arrangements of the organization after studying the budget estimates and financial statements; referral to the Council of appropriate matters within the organization's scope; providing opportunity for exchange of information and of views among the member governments; and exercise of certain powers in connection with the establishment of the Maritime Safety Committee.

The Council of the organization will consist of

sixteen member governments elected by the Assembly, eight to be governments of nations with the largest interest in the provision of shipping services, four to be governments of other maritime nations which have the largest interest in international trade, and the four remaining members to be elected with a view to adequate geographical representation. The Council will meet as often as may be deemed necessary, either on the call of the chairman or on the request of at least four of its members.

The Council is to inform any member government not represented on the Council of items on the agenda with which that government is directly concerned. In that event the government so concerned may take part in the discussions of that particular subject but will not be permitted to vote. The Council will also conclude arrangements covering the organization's relationship with other international bodies, subject to confirmation by the Assembly.

The provisions of the draft convention which concern the Maritime Safety Committee are tentative, and are intended to be developed in detail at contemplated technical conferences.⁶⁶ The Maritime Safety Committee, under the tentative provisions, is to be comprised of fourteen member governments which the Assembly will select from nations having the greatest interest in maritime safety, eight of which are to be from the largest shipowning nations and six to be selected with a view to adequate representation of other nations having important interests in maritime safety and of major geographical areas. The Committee is to consider all matters concerning maritime safety which come within the scope of the organization, not only from the standpoint of preventive measures, such as standards of construction and equipment and rules for prevention of collisions, but also regarding the saving of life after casualties. Reports on its work and recommendations growing out of its studies will be submitted regularly to the Council for transmittal to the Assembly or to governments (when the Assembly is not in session), together with the Council's comments and recommendations.

The secretariat of the organization is to be composed of the Secretary-General to be appointed by the Council with the approval of the Assembly and such other staff members as may be considered

⁶⁶ *Ibid.*, p. 1096.

necessary, the latter to be appointed by the Secretary-General with a view to efficiency and representation of a diversity of nations. All records considered necessary for the efficient functioning of all branches of the organization will be kept by the secretariat, which will also prepare, collect, and circulate the various documents of the Assembly, the Council, and the subsidiary organs. The Secretary-General and the other members of the secretariat will maintain their position as international officers and may not seek or receive instructions from any authority except the organization. The members of the organization undertake to respect this position by making no effort to exert influence over the secretariat.

The Secretary-General of the United Nations, in consonance with the resolution of the Economic and Social Council adopted on March 28, 1947,⁶⁷ issued invitations on April 10, 1947, to the interested governments to attend the conference for the purpose of establishing an intergovernmental shipping organization.⁶⁸ The dates of the meeting have now been set for February 19 through March 17, 1948.⁶⁹

Conclusion

At long last the trend toward establishing a permanent world organization to deal with maritime questions is crystallizing. It is believed that the plans for such an international body will come to fruition at the forthcoming conference. If these plans are successful the organization will provide a greater continuity than was possible under the sporadic maritime conferences of the past, with their diversity of membership, or under the previous international bodies concerned with aspects of shipping. The benefits to be derived from this more closely integrated co-partnership will be partly economic, through the standardization of technical phases of shipping administration and the elimination of economic restrictions upon merchant shipping; partly humanitarian, in reducing loss of life from storms and accidents at sea; and partly political, in that every success in international cooperation on the technical level is a spur and a means of encouragement to international cooperation on the political level.

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The new organization, it may be pointed out, is expected to cooperate with the International Civil Aviation Organization in some phases (especially safety phases) of air transport across the world's seas. In discussing the transoceanic carriage of goods and passengers both by surface vessel and by air William L. Clayton, then Under Secretary of State for economic affairs, spoke as follows at the October 1946 session of the United Maritime Consultative Council:

"The power-driven vessel plying the free seas is the cheapest form of transportation in the world. For many years we shipped cotton from Houston to Shanghai at less cost than it took to bring it from Oklahoma to Houston. Man himself can now fly over the seas quicker than he can travel on the surface, but it seems safe to say that his goods will for the most part always travel on and not above the water."⁷⁰

In a domain of such paramount importance to the welfare of mankind, the economic, humanitarian, and political benefits derived from international cooperation may well comprise a significant part of the mosaic of friendly inter-relationship which the United Nations is steadily forming.

Addresses on European Recovery Program

On January 22 the Secretary of State made an address before the National Cotton Council in Atlanta, Ga.; for the text of this address on European aid, see Department of State press release 52 of January 22, 1948.

On January 22 Assistant Secretary Thorp made an address before the National Industrial Conference Board in New York City; for the text of this address on European aid, see Department of State press release 51 of January 22, 1948.

⁶⁷ BULLETIN of Jan. 25, 1948, p. 107.

⁶⁸ See U.N. doc. E/Conf. 4/2, Oct. 2, 1947, p. 1.

⁶⁹ U.N. doc. E/C. 4/3, Sept. 16, 1947, p. 3.

⁷⁰ BULLETIN of Nov. 3, 1946, p. 817.

FOREIGN AID AND RECONSTRUCTION

British Foreign Secretary Asks for Union of Western Europe

STATEMENT BY THE DEPARTMENT OF STATE

[Released to the press January 23]

Mr. Bevin has proposed measures which will enable the free countries of western Europe further to concert with one another for their common safety and good.¹ As in the case of the recovery program the United States heartily welcomes European initiative in this respect and any proposal looking to a closer material and spiritual link between the western European nations will serve to reinforce the efforts which our two countries have been making to lay the foundation for a firm peace.

New Interim Aid Allocation to France, Italy, and Austria

[Released to the press January 23]

The Department of State announced on January 23 an additional allocation of \$97,121,000 to France, Italy, and Austria under the \$522,000,000 Interim Aid Program. The new allocation will be used, in large part, to cover February procurement of vitally needed cereals and coal. France will receive \$49,539,000; Italy, \$35,477,000; and Austria, \$12,105,000.

A breakdown of the new allocation, on which procurement has already started, is as follows:

	<i>Quantity (long tons)</i>	<i>Estimated cost and freight value (\$000)</i>
Austrian program:		
Cereals	39,000	5,478
Coal (offshore)	240,000	3,800
Peanuts	7,000	2,827
		<hr/> 12,105
French program:		
Cereals	165,000	22,789
Coal (U.S.) ²	1,300,000	26,750
		<hr/> 49,539

¹ In address before the House of Commons in London on Jan. 22, 1948.

² Includes \$1,000,000 additional for transportation against the January allocation of cereals from the United States.

³ January allocation.

⁴ See Department of State press releases 3, 6, and 9 of Jan. 2 and 3, 1948.

Italian program:

Cereals	177,000	23,477
Coal (U.S.)	600,000	12,000
		<hr/> 35,477

The total amount programmed to date under the Interim Aid Program is \$244,437,000, or approximately 47 percent of the \$522,000,000 appropriated under Public Law 393. Of this total, \$118,839,000 has been committed for France, \$92,199,999 for Italy, and \$33,399,000 for Austria.⁴

U.S. To Send Observers to Rome—CEEC Manpower Conference

[Released to the press January 23]

The Department of State announced on January 23 that the United States was sending two observers to the conference on manpower problems relating to the European Recovery Program called by the Italian Government and opening in Rome on January 26.

The Italian Government has invited all countries which participated in the Paris conference of the Committee of European Economic Co-operation, as well as the Food and Agriculture Organization, the International Labor Organization, and the International Refugee Organization, to send representatives.

It is particularly gratifying that the Italian Government has taken this initiative in view of the surplus of labor available in Italy and in the various displaced-persons camps which could be utilized in the labor-shortage areas of Europe. It is another example of the attitude of self-help and mutual help prevailing among the ERP countries.

The United States will stand ready, if called upon, to provide technical assistance in the solution of manpower problems either directly or through the International Labor Organization, Food and Agriculture Organization, and International Refugee Organization.

The United States observers attending the conference will be Val R. Lorwin of the Division of International Labor, Social, and Health Affairs, Department of State, and William Shaughnessy of the Technical Service Division, Department of Labor.

The International Labor Organization Regional Meeting for the Near and Middle East

ARTICLE BY IRWIN M. TOBIN

Introduction

The International Labor Organization Regional Meeting for the Near and Middle East, held at Istanbul, November 24-29, 1947, represented a significant extension of the work of the International Labor Organization. Taken together with the regional meetings held at Mexico City (April 1-16, 1946) and New Delhi (October 27-November 8, 1947), Istanbul demonstrated the intention of the ILO to extend the frontiers of its activity along regional lines and take fuller account than hitherto of the special problems involved in raising living standards in areas still in the early stages of industrial development.

The Istanbul meeting, modest as it was in composition and objectives, also marked a new departure in the approach of the governments of the Near and Middle East toward the solution of their economic and social problems. It provided for the first time an opportunity for officials of the states of the area to exchange experiences and information about social problems and progress in their countries and to examine from a regional viewpoint the standards to which the peoples of the area should aspire.

Originally invited by the Egyptian Government to meet in Cairo, the ILO was obliged either to transfer the site elsewhere owing to the cholera epidemic or to postpone the meeting indefinitely because of other ILO commitments. The ILO, with the full cooperation of the Egyptian Government, decided upon the former course. By its readiness to make arrangements for holding the meeting at Istanbul on very short notice, the Turkish Government made it possible to proceed on the original schedule.

Attendance

The independent states of the Near and Middle East represented at the conference were: Egypt, Iran, Iraq, Lebanon, Syria, and Turkey. Unlike the full-scale conferences of the International Labor Organization, in which representatives of industry and labor take part together with representatives of governments, the Istanbul meeting, because of its preliminary character, consisted only of government delegates. The wish was widely expressed among those present that future regional meetings of the Near and Middle East area should also include representatives of industry and labor in line with the classic ILO pattern.

In addition to the participating governments, a number of other governments and international organizations were represented by observers. The United States was represented in this capacity by William S. Tyson, Solicitor of the Department of Labor, and William J. Handley, Labor Attaché at the American Legation, Cairo. Other Governments similarly represented were Afghanistan, France, Greece, India, Pakistan, and the Union of South Africa. Observers were also present from the United Nations and the United Nations Food and Agriculture Organization.

In addition, an influential role was played at the meeting by the tripartite delegation—representing government, employers, and workers—appointed by the Governing Body of the International Labor Office. Sir Guildbaume Myrddin-Evans, Chairman of the Governing Body, headed the ILO group and delivered one of the principal opening addresses. F. L. Yllanes Ramos of Mexico, of the employers' group, and O. Lizzadri of Italy, of the workers' group, took part in com-

mittee discussions and were able, as a result of their industrial experience, to make a number of practical suggestions in the course of the formulation of resolutions. The meeting elected Tahsin B. Balta, Minister of Labor of Turkey, as its President and Ibrahim Istuany, Syrian Delegate, as its Vice President. N. Sadak, Minister of Foreign Affairs of Turkey, addressed the opening session of the meeting on behalf of the Turkish Government. Jef Reus, Assistant Director General of the ILO, served as Secretary General.

Objectives

The Istanbul meeting was by its very nature a preliminary gathering intended to pave the way for full-scale regional conferences in the future and lay the groundwork for more intensive activity by the ILO in the region of the Near and Middle East. Although the essence of the meeting was an exchange of views and information, there was in fact adopted an elaborate set of resolutions which, while having no binding effect, were to be transmitted to the member governments as proposals for action in the social and economic field within the shortest possible time. Furthermore, the meeting proposed to the Governing Body of the ILO a considerable number of practical steps designed to expand the interests and activities of the ILO in the Near and Middle East.

Resolutions

The Istanbul meeting unanimously adopted five principal resolutions on the following subjects:

(1) the development of the work of the ILO in the Near and Middle East; (2) labor policy; (3) social security; (4) conditions of life and work of agricultural workers; (5) economic policies designed to further in the Near and Middle East the social objectives of the ILO.

1. *Development of the Work of the ILO in the Near and Middle East*

Recognizing the need for concerted effort to improve living and working conditions of the peoples of the Near and Middle East and to institute vigorous ILO action in that region, the Istanbul meeting proposed to the ILO that it convene at an appropriate time a regional conference to review the progress made in the fields covered by the policy resolutions summarized below; send an ILO mission to the Middle East in preparation

for such a conference; extend the network of "correspondents" of the ILO in the region; encourage the recruitment as members of the ILO staff of an adequate number of experienced nationals of the countries of the region; extend the practice of inviting junior officials from the Near and Middle East to spend periods of study and training in the headquarters of the ILO; arrange that general ILO meetings be held in the region from time to time; arrange for publication of the decisions of the Istanbul meeting and other ILO documents in the appropriate Near and Middle East languages, namely Arabic, Turkish, and Persian; and facilitate the provision to the governments of Near and Middle Eastern countries of appropriate assistance in connection with the framing of laws and regulations for the improvement of administrative practices, systems of inspection, and research and information services.

The conferees also took note of Syria's acceptance, during the course of the conference, of membership in the ILO. Welcoming the participation of Lebanon in their deliberations, they also expressed the hope that Lebanon, Saudi Arabia, and the Yemen would take advantage of their prerogative, as United Nations Members, of joining the ILO by simple notification to the Director General. The Governing Body was requested to communicate the conclusions of the meeting to Saudi Arabia and the Yemen and to invite all the states of the Near and Middle Eastern region to be represented at future meetings and conferences. The meeting also stressed the importance of adequate representation of Near and Middle Eastern countries on the ILO's Permanent Agricultural Committee and Petroleum Industrial Committee; the Governing Body was in this connection requested to examine the possibility of convening an early session of the Petroleum Committee in one of the petroleum-producing countries of the area. Members also urged close cooperation between the ILO and any economic commission for the Near and Middle East, or similar body which might be set up by the United Nations, and similar collaboration in all appropriate fields between the ILO and the League of Arab States and any other regional bodies which might be established.

2. *Labor Policy*

"Considering it desirable to formulate certain directives concerning the immediate objectives of

labor policy under the special conditions existing in the countries of the Near and Middle East as a first step towards the application in these countries of the conventions and recommendations adopted by the International Labor Conference as rapidly and fully as national conditions allow", the meeting adopted for communication to the governments concerned a number of proposals on labor policy. The more important of these proposals recommended the establishment in each country of "a national labor department adequately staffed and equipped to administer the existing labor legislation, promote good industrial relations and close cooperation between employers' and workers' organizations, encourage the development of such organizations where they do not already exist, investigate and report upon labor problems and formulate proposals for such further legislation as may be desirable"; maintenance of an adequate system of labor inspection; development of employment services in order to insure, in cooperation with other public and private bodies concerned, the best possible organization of employment as an integral part of programs for the full use of industrial resources; and adoption of guaranties for the protection of children by the elimination as rapidly as possible of child labor and the extension of free compulsory education. In this connection governments were urged to extend the network of free technical and vocational courses in the schools and to provide regulations for adequate control of the conditions of apprenticeship of children and young persons. It was recommended in particular that the pledging of children to an employer should be eliminated as rapidly as possible and that the training of technical experts and teachers should be intensified.

Other points of importance in connection with labor policy called for special protection for young workers and women workers; the fixing of minimum wages by collective agreements; guaranties of freedom of association and the right to enter into collective agreements and to settle disputes through conciliation and arbitration; collaboration of employers' and workers' organizations with the public authorities; and the promotion of cooperatives for the promotion of housing and other workers' interests. In an attempt to stimulate some immediate action toward the achievement of these goals, the meeting also proposed that

each of the Near and Middle Eastern countries should prepare a national program of action for the progressive application of the standards outlined over a given number of years and submit periodically reports on the action taken by them to the International Labor Office for consideration at a future regional meeting.

3. *Social Security*

Acknowledging, as did all the policy resolutions, the "special conditions" existing in the countries of the Near and Middle East, the proposals on social security called for the progressive expansion and systematic application of legislation for the promotion of health and nutrition, income security, and benefits covering employment injuries, sickness, invalidity, old age, and death. Special attention was given to the position of rural workers, with the suggestion that crop insurance might be developed together with organized schemes of relief to prevent famine in times of scarcity. With regard to medical care it was proposed that the aim of national health policies should be to make adequate medical care available to the whole population as a public service without contribution or means test and that steps should be taken to provide for preventive medicine and environmental hygiene.

4. *Conditions of Life and Work of Agricultural Workers*

In view of the fact that some 70 percent of the population of the countries of the Near and Middle East are engaged in agriculture and that marked differences exist between conditions of life and work in industry and those prevailing in agriculture, special attention was given to means of improving the conditions of life and work of agricultural workers. It was urged that studies should be made on particular aspects of raising the standards of living of the agricultural population and that further consideration be given to that subject by the ILO Permanent Agricultural Committee and future regional meetings. The Food and Agriculture Organization of the United Nations and other specialized agencies concerned with such problems were also encouraged to engage in further studies. Recognizing that the present condition of the agricultural population of the area does not correspond to the great potentialities of the region and to the general desire for higher standards of living, it was suggested that "care-

fully planned intervention by the State" would alone be able "to devise, coordinate, and enforce the necessary measures for the best utilization of the human and material resources of the countries concerned in the interests of the welfare of the people". It was further proposed that in order to meet the needs of the agricultural population "it is necessary that the national economy as a whole should find possibilities of expansion through development works, increase in production, initiation of new lines of output, and a parallel planning of industrial and agricultural developments".

Specific suggestions were also put forward for the use of modern methods to increase the productivity of the soil, the improvement of systems of land tenure and relationship, the organization of agricultural credit, the stimulation of cooperative organizations, the protection of wage-paid labor, the expansion of health and education, and the development of small-scale rural industries to supplement income from agriculture.

5. *Economic Policies Designed To Further in the Near and Middle East the Social Objectives of the ILO*

Perhaps the most significant of the resolutions adopted at Istanbul was that concerned with economic policies, since only economic development will enable the nations of the Near and Middle East to make any appreciable social progress. Recognizing that "improvements in the standards of living, means of production and the health of the population of the countries of the Near and Middle East are urgently required and are a matter of concern to the whole world", the meeting made a number of proposals designed to encourage governments to increase their productivity and develop their natural resources. The delegates at Istanbul hope to enlist the cooperation of the Economic and Social Council of the United Nations, the Food and Agriculture Organization, and the World Health Organization in achieving these goals.

Concrete proposals were made with regard to improvement in nutrition and agricultural output and distribution; price policy for agricultural products and the maintenance of reserves; improvement in the methods of agricultural production; and the encouragement of additional imports of agricultural equipment. The govern-

ments of the region were urged in planning for expansion to take into account consumers' needs, including foodstuffs, and the necessary improvements in health and housing. They were urged in particular to establish adequate statistical services which would make possible the basic surveys upon which planning is dependent.

The economic-policy resolution also suggested new developments especially in the fields of irrigation, power, transport, and the exploitation of mineral resources on an international basis wherever appropriate. The governments concerned were urged to draw up plans for industrial development under a government authority. They were also advised to take into account the benefits accruing from international trade, so that they would not stimulate within their own boundaries projects which could be more economically developed elsewhere. Proposals were also made with respect to the control of inflation and the international financing of import requirements.

Conclusion

Many of the resolutions adopted at Istanbul must, given the present state of social and economic development in most of the Near and Middle Eastern countries, be regarded as ultimate aspirations rather than immediately attainable objectives. The delegates, not unconscious of the contrast between their breadth of vision and the realities with which they have to deal as officials of the governments of the region, emphasized repeatedly that the applicability of their proposals must necessarily depend upon the circumstances now prevailing. In fact some of the goals of social policy formulated at Istanbul remain, as yet, unrealized in many of the western countries which regard themselves as the most advanced nations in terms of industrial and social development.

Yet despite the air of abstract idealism which pervaded many of its policy resolutions, the Istanbul meeting dealt in practical fashion with problems of vital and immediate interest to the peoples and governments of the Near and Middle East. At a time when there is throughout the area a rising demand for social and economic progress, it drew up a set of standards to which the idealist and the practical reformer could alike repair. It pointed out the possibility of social reform through the cooperation of responsible elements in the community, rather than through class division and

strife. It recognized that the development of responsible organizations of employers and workers is more important in the attainment of social progress than formal adherence to even the most elaborately phrased conventions. And it recognized that however much international organizations and friendly neighbors might contribute, the primary responsibility for concrete progress must rest upon the states of the region.

Istanbul therefore represents a first stage in a venture which may, if it prospers, contribute significantly to the welfare of peoples and stability of governments in an area important to the maintenance of world peace and stability. The Governing Body of the ILO, at its 103d session held

in Geneva in December 1947, has already adopted the Istanbul recommendations for the extension of ILO activity in the region. There is every likelihood that in the long run the activities of the ILO, thus inaugurated at Istanbul, will have a measurable impact on the economic and social evolution which is, given all the circumstances, inevitable in the Near and Middle East. Yet as the immediate future of social and economic progress in the area is contemplated, it would be well to keep in mind the warning of one of the delegates who, at the final Istanbul session, emphasized that political stability is a necessary prerequisite for any substantial achievement in the direction of social progress.

Resolution Relating to Kashmir Situation ¹

The Security Council

HAVING HEARD statements on the situation in Kashmir from representatives of the Governments of India and Pakistan;

RECOGNIZING the urgency of the situation;

TAKING NOTE of the telegram addressed on January 6 by its President to each of the parties and of their replies thereto and in which they affirm their intention to conform with the Charter:

Calls upon both the Government of India and the Government of Pakistan to take immediately

all measures within their power (including public appeals to their people) calculated to improve the situation and to refrain from making any statements and from doing or causing to be done or permitting any acts which might aggravate the situation

And further requests each of those Governments to inform the Council immediately of any material change in the situation which occurs or appears to either of them to be about to occur while the matter is under consideration by the Council and consult with the Council thereon.

American Interest in Settlement of Netherland-Indonesian Dispute Through Security Council's Proposals

[Released to the press January 20]

The United States Government has received with much gratification the news that Netherland and Indonesian delegations have accepted the proposals of the Security Council's Committee of Good Offices as a basis for the settlement of the Dutch-Indonesian dispute.

The United States Government regards these proposals as eminently just and practical, and believes that they will provide a sound basis for political and economic development of the Indies, beneficial not only to the Indonesians and Dutch, but also to the rest of the world.

The United States Government wishes to congratulate the Committee of Good Offices on its excellent work and to congratulate both Netherlanders and Indonesians on the spirit of high statesmanship with which they have concluded the negotiations before the Committee.

The United States Government will continue to follow with deepest interest the progress of reconstruction in the Netherlands East Indies and is exploring ways and means of extending economic and financial assistance to this reconstruction.

¹ U.N. doc. S/651, Jan. 17, 1948. Adopted on Jan. 17, 1948.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

Adjourned During Month of January		1948
Third Pan American Congress of Ophthalmology	Habana	Jan. 4-10
United Nations: Ecosoc (Economic and Social Council): Commission on the Status of Women.	Lake Success	Jan. 5-16
Ninth Pan American Child Congress	Caracas	Jan. 5-10
American International Institute for the Protection of Childhood: Meeting of International Council.	Caracas	Jan. 5-10
ICAO (International Civil Aviation Organization): Statistics Division: First Session.	Montreal	Jan. 13-
WHO (World Health Organization): Committee on Administration and Finance.	Geneva	Jan. 19-21
In Session as of January 31, 1948		1946
Far Eastern Commission	Washington	Feb. 26-
United Nations: Security Council	Lake Success	Mar. 25-
Military Staff Committee	Lake Success	Mar. 25-
Committee on Atomic Energy	Lake Success	June 14-
		1947
Commission on Conventional Armaments	Lake Success	Mar. 24-
Security Council's Good Offices Committee on Indonesia	Indonesian Territory	Oct. 20-
Trade and Employment Conference	Habana	Nov. 21-
General Assembly's Special Balkan Committee.	Salonika	Nov. 21-
		1948
Interim Committee of the General Assembly	Lake Success	Jan. 5-
Commission for Palestine.	Lake Success	Jan. 9-
German External Property Negotiations (Safehaven): With Portugal	Lisbon	Sept. 3-
With Spain	Madrid	Nov. 12-
Inter-Allied Trade Board for Japan	Washington	Oct. 24-
		1947
CFM (Council of Foreign Ministers): Commission to Investigate Former Italian Colonies.	Former Italian Colonies	Nov. 8-
		1948
PFB (Provisional Frequency Board)	Geneva	Jan. 15-
IRO (International Refugee Organization): Fifth Part of First Session of Preparatory Commission.	Geneva	Jan. 20-
ITU (International Telecommunication Union): Meeting of Administrative Council.	Geneva	Jan. 20-
WHO (World Health Organization): Fifth Session of Interim Commission	Geneva	Jan. 22-

¹ Prepared in the Division of International Conferences, Department of State.

CEEC (Committee on European Economic Co-operation): European Man-power Conference.	Rome	1948 Jan. 26-
Meeting of Special Committee to Make Recommendations for the Coordination of Safety Activities in Fields of Aviation, Meteorology, Shipping and Telecommunications.	London	Jan. 27-
Tripartite Discussions on Western Germany	London	Jan. 28-
Scheduled for February-April 1948		
United Nations:		
ECOSOC (Economic and Social Council):		
Sixth Session	Lake Success	1948 Feb. 2-
Subcommission on Economic Development	Lake Success	Mar. 8-
Subcommission on Employment and Economic Stability	Lake Success	Mar. 8-
World Conference on Freedom of Information	Geneva	Mar. 23-
Social Commission: Third Session	Lake Success	Mar. 30-
ECE (Economic Commission for Europe): Third Session	Geneva	Mar. 31-
Transport and Communications Commission: Second Session	Geneva	Apr. 5-
Subcommission on Statistical Sampling	Lake Success	Apr. 12-
Economic and Employment Commission: Third Session	Lake Success	Apr. 19-
Statistical Commission: Third Session	Lake Success	Apr. 26-
Permanent Central Opium Board	Geneva	Apr. 19-
IUBS (International Union of Biological Sciences): Executive Committee	Geneva	Feb. 2-3
UNESCO (United Nations Educational, Scientific and Cultural Organization): Sixth Session of Executive Board.	Paris	Feb. 12-
WHO (World Health Organization): Expert Committee on Tuberculosis	Geneva	Feb. 17-
Inter-governmental Maritime Consultative Organization	Geneva	Feb. 19-
ILO (International Labor Organization):		
Permanent Committee on Migration	Geneva	Feb. 23-28
104th Session of Governing Body	Geneva	Mar. 16-20
FAO (Food and Agriculture Organization):		
Regional Meeting to Consider Creation of Councils for Study of the Sea	Baguio, Philippines	Feb. 23-28
Regional Meeting of Technical Nutritionists	Baguio, Philippines	Feb. 23-29
Rice Meeting	Baguio, Philippines	Mar. 1-14
Second Meeting of Council	Washington	Mar. 18-31
ICAO (International Civil Aviation Organization):		
Aeronautical Maps and Charts Division	Brussels	Mar. 8-
Personnel Licensing Division	Montreal	Mar. 30-
Rules of the Air and Air Traffic Control Practices Division	Montreal	Apr. 20-
Facilitation Division	Europe	Apr. 27 ² -
Prague International Spring Fair	Prague	Mar. 12-21
First Meeting of Planning Committee on High-Frequency Broadcasting	Geneva	Mar. 22-
Sixth Pan American Railway Congress	Habana	Mar. 27-
Ninth International Conference of American States	Bogotá	Mar. 30-
Conference to Plan for an International Institute of Hylean Amazon	Tingo María, Peru	March ²
ICAC (International Cotton Advisory Committee): Seventh Meeting	Cairo	Apr. 1-
Fifth International Leprosy Conference	Habana	Apr. 3-11
Lyon International Fair	Lyon	Apr. 3-12

² Tentative.

Calendar of Meetings—Continued

Royal Netherlands Industries Fair	Utrecht	Apr. 6-15
26th Milan Fair	Milan	Apr. 12-27
International Conference on Safety of Life at Sea	London	Apr. 16-
22d International Brussels Fair	Brussels	Apr. 17-28
Third Inter-American Travel Congress	Buenos Aires	Apr. 18-28
Rubber Study Group: Fifth Session	Washington	Apr. 26-
International Conference on Social Work	Atlantic City	April
Arts and Handicrafts Exhibition of American Elementary School Children	Montevideo	April
CCIF (International Telephone Consulting Committee): Technical Meeting.	The Hague	April
Fifth Pan American Highway Congress	Lima	April ²
Tripartite Discussions on Western Germany	Paris	April
Fourth Pan American Consultation on Cartography	Buenos Aires	April-May
Pan American Institute of Geography and History: General Assembly	Buenos Aires	April-May

² Tentative.

First Inter-American Conference on the Conservation of Renewable Natural Resources

[Released to the press January 20]

The Department of State announced on January 20 that the First Inter-American Conference on the Conservation of Renewable Natural Resources is scheduled to be held at Denver, Colorado, from September 7 to 20, 1948. After many other sites had been considered, the Governing Board of the Pan American Union and the Department of State decided to hold the conference at Denver. The presence of many conservation projects in the surrounding territory was one of the factors contributing to the selection of Denver as the site. The conference is being held pursuant to a resolution adopted at the Third Inter-American Conference on Agriculture held at Caracas, Venezuela, from July 24-August 7, 1945.

The conservation conference, the first international meeting of its kind, will bring together delegates from the American republics to consider the development and use, on a sound scientific basis, of the renewable natural resources of the Hemisphere. It is anticipated that leading government officials, scientists, and other interested groups from the entire Hemisphere will attend.

Among the problems to be discussed will be those arising out of deforestation, soil erosion, overgrazing, wildlife destruction, floods, and fail-

ing water supplies. These problems are yearly growing more serious throughout the Hemisphere because of inadequate conservation practices, mounting populations, and attempts to raise living standards. They are of world-wide significance because of the increasing needs of Europe and Asia.

The conference will consist of a series of meetings to discuss conservation problems together with field trips to study land-management practices. The delegates will have an opportunity to view at first hand soil-conservation districts, forest and range experiment stations, the Rocky Mountain National Park, and other places of interest. Irrigation projects will be studied, along with their relationship to agriculture, grazing, and forestry practices on the land from which irrigation waters are derived.

Warren Kelchner, Chief of the Division of International Conferences, Department of State, has been appointed executive vice president of the conference, and William Vogt, Chief of the Conservation Section of the Pan American Union, secretary general. An organizing committee composed of representatives of interested Government agencies has been established to formulate plans and coordinate arrangements for the conference.

Fourth International Cancer Research Congress

ARTICLE BY LEONARD A. SCHEELE

The Fourth International Cancer Research Congress, sponsored by the Union Internationale contre le Cancer and the American Association for Cancer Research, was held at St. Louis, Mo., from September 2 to 7, 1947.¹ It was attended by official country delegates, members of both sponsoring organizations, and individual scientists who came to present reports of significant research. Thirty-nine countries were represented.²

The general purpose of the Congress was to present, as inclusively as possible, the most recent achievements in cancer research, including both clinical and laboratory phases. To all those who planned and attended this convention, a further purpose was clearly recognized: the renewal of international participation and cooperation in cancer research, which had been seriously retarded by the war, and the stimulation of efforts more intensive than had ever before been applied in the fight against this disease.

During the Congress President Truman sent a telegram to the assembled scientists which conveyed an announcement of special interest to them. The President's telegram stated:

"It is now possible for the United States to take an important forward step toward greater international cooperation in the field of medical and biological research. On behalf of the people of the United States, I am pleased to announce to the Fourth International Cancer Research Congress that progress in the production of radioisotopes by the United States Atomic Energy Commission now permits limited distribution to quali-

fied research workers in other countries. . . . I know that the representatives of the United States attending the Cancer Research Congress share my hope that the open, impartial and truly international character of medical research will carry over into the realm of other problems of world concern. The sharing by and among all nations of both the means and the results of cancer research will reduce the loss of life and human suffering from disease throughout the world."

History and Organization of the Cancer Research Congress

Three international cancer research congresses have been held in past years under the auspices of the Union Internationale contre le Cancer. The first congress was held at Madrid in 1933, the second at Brussels in 1936, and the third at Atlantic City in 1939. World War II was costly in equipment and trained research workers and imposed such barriers to travel and communication that it disrupted the work of the Union Internationale and of other agencies and persons engaged in cancer research. As a result activity in

¹ For members of the U. S. Delegation, see *BULLETIN* of Sept. 7, 1947, p. 472.

² The countries represented were: Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Egypt, El Salvador, France, Greece, India, Iran, Iraq, Italy, Korea, Luxembourg, Mexico, the Netherlands, Nicaragua, Norway, Palestine, Peru, the Republic of the Philippines, Portugal, Spain, Sweden, Switzerland, Tunisia, Turkey, the Union of South Africa, the United Kingdom, the United States (and Hawaii), Uruguay, and Venezuela.

this field was slowed in some countries and halted in others. Scientists the world over, however, were fully aware that the lack of international correspondence was a serious deterrent to their investigations and the exchange of information. As soon as it was possible, the American Association for Cancer Research, a scientific society which numbers in its membership most of the cancer research workers in the United States and Canada, assumed the leadership in providing for an assembly of scientists to review progress made in the study of cancer during the war and to arrange for future cooperative investigation.

The Association met in April 1946 and appointed a committee to formulate preliminary plans for a Fourth International Cancer Research Congress to be held in the United States in 1947. This committee advised the Department of State of its intention to hold such a meeting and of the world-wide interest in the project. The Department agreed that in behalf of the Congress it would extend invitations to the various countries through diplomatic channels.

On October 13, 1946, at New Haven, Conn., the Board of Directors of the American Association for Cancer Research, acting upon the recommendations of the committee, voted to invite the Union Internationale contre le Cancer to cooperate in sponsoring the Congress. At this time it was decided to hold the meeting at St. Louis in September 1947. Dr. E. V. Cowdry, professor of anatomy at Washington University and director of research at Barnard Free Skin and Cancer Hospital, St. Louis, was elected president of the Congress.

The International Cancer Research Commission

One of the most significant results of the Fourth International Cancer Research Congress was the creation of a permanent international agency for cancer research, the International Cancer Research Commission.

At an organization meeting of the Congress on September 2, 1947, attended by representatives from the various countries, it was unanimously decided, after full discussion, that the duty of making recommendations be assigned to a smaller

group consisting of only one representative of each nation. This group was called the Executive Committee of National Representatives.

On September 6 the recommendations of the Executive Committee were presented to the larger party of national representatives for approval. These recommendations provided that certain principles be accepted and that an International Cancer Research Commission be established. It was proposed that the Commission consist of one member from each of the nations at the Congress and that these members have equal voting power irrespective of the size of the nation represented. In order to draw regularly new personnel into the Commission, it was proposed that no member should serve for more than three years. To decentralize the Commission it was proposed that annual meetings never be held consecutively in the same country. Since the need was felt to build within the framework of an existing international organization in the field of cancer, it was proposed that the Commission be constituted as an almost autonomous division of the Union Internationale contre le Cancer. The members of the Executive Committee of the Union were present at the Congress and formally accepted the Commission on the basis which was specified.

In regard to the scope of the Commission's work, it was agreed that cancer research is to be interpreted to include all efforts to advance our knowledge of cancer by clinical, experimental, or other means. It was recommended that single representatives of still other nations be welcomed in the Commission, and that an Executive Committee of the Commission, composed of five members, be appointed and later expanded to not more than seven. To make the Committee thoroughly representative it was proposed that it be composed of one member from Latin America, one from Asia, one from the United States, and two from Europe, supplemented by alternates.

The proposals of the Executive Committee of National Representatives were enthusiastically and unanimously approved when presented to the entire Congress on September 6.³

Summary of Sessions

The scientific session began on the morning of September 3. Papers of two types were presented at the scientific sessions: long papers on

³The Union Internationale contre le Cancer will publish the reports and proceedings of the Congress in a special edition of *Acta*, the Union's cancer journal.

selected subjects, by invitation of the Executive Committee; and short papers, by those who desired to participate. The papers presented by special invitation were given in general sessions according to the following program: (1) general aspects of cancer research, cancer surgery, and radiation therapy of cancer; (2) etiology of cancer; (3) etiology of cancer (carcinogens); (4) chemistry in relation to cancer; (5) hormones in cancer; (6) biology of cancer; (7) nuclear physics in relation to cancer; and (8) cancer and the host.

Special sessions were conducted by the various delegates on the following topics; carcinogenic hydrocarbons, biology, genetics, the chemistry of cancer, chemotherapy, pathology and diagnosis, nutrition, radiation therapy, comparative oncology, etiology of cancer, transplantation and tissue culture, hormones and cancer, treatment of cancer, carcinogenic radiation, cytology, isotopes, radiation biology, the milk factor, and general topics pertaining to the treatment of cancer.

The Congress held an interesting symposium on problems of growth. Four speakers, representing different fields of biological science, discussed the question, "What are the opportunities and limitations of different technics when focused on the problem of growth?" The speakers directed their discussion toward an indication of the directions in which cancer research is progressing and attempted to determine what their particular methods and findings might offer in future studies.

Conclusions

The aims that guided the Congress and the spirit that animated its contributions assured all who were present that future efforts to discuss cancer research on an international plane will be successful. The establishment of the International Cancer Research Commission is further assurance that subsequent cooperative work, not only in communication but in active research, will have the stimulation and guidance necessary to a concentrated attack on the cancer problem. Although no plans have been formulated as yet which have official United States acceptance, Dr. Cowdry and many others of the Congress have set even higher hopes. They envision an international official program, financed by governments and dedicated to world-wide, concentrated efforts to combat cancer through research and measures for control.

Until such a program is established, the work of the newly created Commission is well defined by the recommendations of the Fourth Congress. The Commission wishes, of course, to cooperate closely with the World Health Organization (WHO). As of December 1947 no definite cooperative program had been established with WHO, although officials of the Union Internationale contre le Cancer have been in touch with the medical staff of the Interim Commission at Geneva.

Today the sum of information is so large and cancer research involves studies in so many fields of science that no one investigator can comprehend it all. We need, therefore, not only brilliant researchers with analytical minds, but also investigators who can sympathize and interpret the products of that research. The process of synthesis, however, requires that information be first assembled and presented to the investigator in comprehensive form. It was apparent to all who attended the Fourth International Cancer Research Congress that this had been accomplished. The findings from years of research in many lands were so collected and presented that the process of synthesis was certainly advanced. For the future, extensive collaborative research, firmly directed, adequately financed, and carried forward by the teamwork of many men, must be initiated in even larger measure than before, if better ways to prevent, detect, and cure cancer are to be found.

Ambassador Pawley To Assist in Preparatory Work for Inter-American Conference at Bogotá

[Released to the press January 20]

The Secretary of State announced on January 20 that William D. Pawley, American Ambassador to Brazil, who has recently been in the United States, will remain in Washington for the time being to assist the Secretary in the work now going on in preparation for the forthcoming Ninth International Conference of American States at Bogotá. Ambassador Pawley's wide experience in inter-American relations as well as his practical knowledge of economic problems will, the Secretary said, contribute in an important way to the progress of this preparatory work.

German War Documents Released Bearing on Soviet-German Relations From 1939 to 1941

[Released to the press January 21]

The Department of State announced on January 21 the publication of a volume of German war documents bearing on Soviet-German relations during the period 1939-1941. These documents are part of the great mass of materials from the German Foreign Office which were captured by British and American arms toward the end of hostilities.

As has previously been announced, the Department of State, along with the British and French Foreign Office, is sponsoring the publication of a series of volumes of documents from the archives of the German Foreign Office with a view to giving a complete and accurate account of German diplomacy relating to World War II for the enlightenment of American and world opinion. Staffs of eminent American, British, and French scholars have been working on these archives for a number of months, and it is expected that the first two volumes of the series, beginning with 1937, will be published within the next year.

The series of volumes is planned as a tripartite

enterprise under the joint auspices of the American, British, and French Governments. However, the individual participating powers are free to publish separately any portion of the documents.

Some of the documents on Soviet-German relations have already become public. To complete the record, the Department has decided to publish at this time in a single volume the material bearing on this subject. The documents contained in this series will eventually reappear in various volumes of the regular tripartite publication.

The papers in the present volume have been selected by the American editors of the German war documents project, Raymond J. Sontag and James S. Beddie, who have had complete independence in their work and final responsibility for the selection of the documents.

Copies of the volume *Nazi-Soviet Relations, 1939-1941*, Department of State publication 3023, may be purchased from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D.C., for \$1 each.

Agreement Signed With Canada Relating to Boundary Waters

[Released to the press January 12]

Various problems have arisen with respect to the division of waters which are of common interest along, across or in the vicinity of the international boundary between Canada and the United States in Montana and North Dakota in the United States and in the Provinces of Manitoba, Saskatchewan and Alberta in Canada.

A conference of representatives of the two Governments was held at Ottawa on August 25-26, 1947. Draft terms of reference to the International Joint Commission—United States and Canada—under article IX of the boundary waters treaty signed at Washington on January 11, 1909, were prepared for consideration by both Governments.

Agreement has now been reached on the text of the terms of two references, one of which covers "waters which are of common interest along, across or in the vicinity of the international boundary from the Continental Divide on the west

up to and as far as the western limit of the St. Mary River drainage basin on the east", and the other relates to similar waters "from the eastern boundary of the Milk River drainage basin on the west up to and including the drainage basin of the Red River of the North on the east".

January 12, 1948

INTERNATIONAL JOINT COMMISSION—
United States and Canada,
Washington 25, D. C.

SIES: In accordance with Article IX of the Boundary Waters Treaty of January 11, 1909, the Governments of Canada and the United States have agreed to refer to the International Joint Commission the following matters for joint examination and advisory report, including recommendations and conclusions:

1. To investigate and report on the water requirements arising out of the existing dams and other works or projects located in the waters which are of common interest along, across, or in the vicinity of the international boundary from the Continental Divide on the west up to

Department of State Bulletin

and as far as the western limit of the St. Mary River drainage basin on the east.

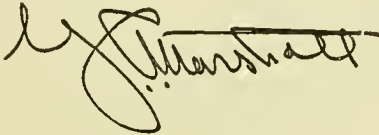
2. To report whether in the judgment of the Commission further uses of these waters within their respective boundaries by Canada and the United States would be practicable in the public interest from the points of view of the two Governments.

3. Having regard to the reports made under paragraphs 1 and 2, to make advisory recommendations concerning the apportionment which should be made between Canada and the United States of such of the waters under reference as cross the international boundary.

4. To conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control, and utilization of the waters under reference in accordance with the recommended apportionment thereof.

In the conduct of its investigations, and otherwise in the performance of its duties under this Reference, the International Joint Commission may utilize the services of engineers and other specially qualified personnel of technical agencies of Canada and the United States, and will, so far as possible, make use of information and technical data which has been acquired by such technical agencies or which may become available during the course of the investigation, thus avoiding duplication of effort and unnecessary expense.

Very truly yours,



January 12, 1948

INTERNATIONAL JOINT COMMISSION—
United States and Canada,
Washington 25, D. C.

SIRS: In accordance with Article IX of the Boundary Waters Treaty of January 11, 1909, the Governments of Canada and the United States have agreed to refer to the International Joint Commission the following matters for joint examination and advisory report, including recommendations and conclusions:

1. To investigate and report on the water requirements arising out of the existing dams and other works or projects located in the waters which are of common interest along, across, or in the vicinity of the international boundary from the eastern boundary of the Milk River drainage basin on the west up to and including the drainage basin of the Red River of the North on the east.

2. To report whether in the judgment of the Commission further uses of these waters within their respective boundaries by Canada and the United States would be practicable in the public interest from the points of view of the two Governments.

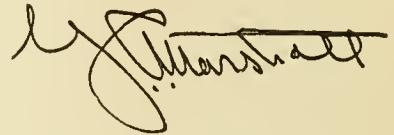
3. Having regard to the reports made under paragraphs 1 and 2, and for those streams where in the judgment of the International Joint Commission apportionment of the waters is advisable, to make advisory recommendations concerning the apportionment which should be made between Canada and the United States of such of the waters under reference as cross the international boundary, and with respect to each such crossing of the international boundary.

4. To conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control, and utilization of the waters under reference in accordance with the recommended apportionment thereof.

February 1, 1948

In the conduct of its investigations, and otherwise in the performance of its duties under this Reference, the International Joint Commission may utilize the services of engineers and other specially qualified personnel of technical agencies of Canada and the United States, and will, so far as possible, make use of information and technical data which has been acquired by such technical agencies or which may become available during the course of the investigation, thus avoiding duplication of effort and unnecessary expense.

Very truly yours,



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Italian military armistice, together with other pertinent documents.

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Monthly list of foreign diplomatic representatives in Washington, with their addresses.

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The Department of State

bulletin

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SOVEREIGNTY AND INTERDEPENDENCE IN THE NEW WORLD

Comments on the Inter-American System

ARTICLE BY WILLIAM SANDERS

Like so many institutions shaped by the pragmatic interplay of stability and change, the Inter-American System defies adequate definition. It has the substance but in many respects lacks the form of the closest union of sovereign and independent states known to history.

Within its present stage of development, it retains forms and methods it has outgrown but not completely discarded, as well as incipient mutations of a more vigorous and promising life. It is not always possible to distinguish clearly in the evolving and complex structure of the System between the deadwood of evolutionary or experimental phases of development and new growth, which may deceptively lie dormant for long periods awaiting the right moment for full activity.

The ever present problem of semantics also creates its own peculiar hazards to understanding. The title itself, for example, is still in debate. Some say it should not be called a system because it is not an astronomical phenomenon, and should therefore not be associated with solar or galactic systems. Others claim that the System is in fact a union of states, and should therefore be called that. Again, the prophets of glory and of doom, the Pollyannas and the Cassandras, work at cross purposes and distort perspective by claiming for the System more or less than it deserves.

The present is an especially promising moment for an over-all appraisal of the System. After almost sixty years of Topsylike growth, plans are now underway for its complete overhauling at the ninth general conference of the System, to be held at Bogotá this coming March, and for the determination of its relations with the United Nations. The latter circumstance, in particular, should help in reaching a broad perspective, since it will com-

pel an examination of the role of this regional system within the world system.

This is not to say that only with the establishment of the United Nations has the System acquired extra-regional significance. In fact, the historical and political background of the System is world-wide, and its context is nothing less than mankind's persevering search for permanent peace and security. In a world of independent national states in which, until recently, balance of power was the only challenge to the more ancient but still endemic idea of peace through universal domination, the Inter-American System bespoke with growing conviction and confidence through the years the concept of collective security crystallized in the United Nations. The Western Hemisphere began to test in an organized and purposeful manner the theory and practice of this approach to international relations during a period still dominated by the old *Realpolitik* of alliances, ententes, and spheres of influence.

Many factors contributed to the creation in the new world of virtually ideal laboratory conditions for the initial experiments and for the testing and gradual development of the institutional and ideological foundations of collective security.

Somewhat similar experiences in occupying the new world; relative freedom from involvement in local conflicts of the old; similar theories, if not always practices, of republican and democratic government; analogous national beginnings in the violent dissolution of colonial status through revolution, as well as a persistent sense of geographical propinquity—all these factors tended to give the peoples of the Western Hemisphere a sense of community of interest and of a new beginning, which was translated into a more optimistic belief

in man's ability to break the pattern of the past.

In international affairs this fresh approach took the form of an attempt to apply new political and legal theories regarding the problem of peace and security.

In the south these were worked out at a series of five political conferences held by the Latin American states from 1826 to 1865. Although none of the treaties signed at these conferences entered into effect, most of the principles and many of the organizational characteristics of the Inter-American System of today are found in them. These include the establishment of an international organization, in the form of an assembly, for consultation and agreement on matters of common interest, and the undertaking of mutual obligations for defense against aggression; for the renunciation of war; for the peaceful settlement of disputes through mediation, investigation, conciliation, arbitration, and consultation; for the adoption of sanctions against a law-breaking member of the community; for reciprocal respect of territorial integrity and political independence, and for observance of the principle of nonintervention.

In the north the United States sought security through a self-denying injunction to stay out of conflicts in other parts of the world and through a demand that non-American powers seek no political or territorial gains or advantages in the Western Hemisphere. These were the two sides of our national security shield, each complementary to the other, both nonaggressive in spirit and intent. Time soon demonstrated that, as interpreted and applied, these policies were not adequate of themselves to achieve the purposes they were designed to serve.

Thus the United States soon found it difficult, and indeed was not permitted, to abide by the first self-restraining injunction and to live according to St. Paul's admonition to be in the world but not of it. It discovered that isolationism ignored the fundamental historical and political reality that the world was not yet free of the danger of a mad-dog drive for universal domination by one or more states. For compelling reasons of national security the United States repeatedly discarded isolationism when the world was threatened by domination. It now seeks security through collective action by the United Nations in conjunction with

a policy of national strength adequate to cope with any eventualities the present transition period may bring.

It is not perhaps farfetched to say that our Latin American experience with the Monroe Doctrine, the other side of our traditional security shield, had much to do in preparing us for the shift to the policy of seeking national security through collective international action. The Doctrine is a unilateral declaration of a policy of self-defense, made to prevent aggression against the Western Hemisphere and also to prevent any attempt from the outside to impose any non-American system of government on any American nation. The Doctrine is in fact a statement of United States policy *vis-à-vis* non-American states, and does not purport to state its policy *vis-à-vis* the American republics. However, during a period beginning with the advent of the twentieth century, the United States considered that it had to assume, as a corollary of the Doctrine, a special unilateral police responsibility for order and stability in the Western Hemisphere to forestall intervention by non-American powers. To this end it began to apply some of the "big stick" methods typical of "sphere of influence" politics. It attempted to meet external threats to the security of the Continent by using in the Western Hemisphere some of the techniques of control and imposition of the very evil from which it wished to insulate the Continent.

Our interventions not only aroused strong sentiment against the United States in Latin America, which it was not in the nature of our people to ignore, but they also violated a fundamental and ingrained American conviction that a people have a right to govern themselves without interference from outside. The so-called interventionist corollaries of the Monroe Doctrine were thus without a firm national foundation.

The first steps toward a different policy were taken almost simultaneously with the assumption of the interventionist role. This policy was more suited to our national characteristic and to our traditional attitude of friendship toward Latin America, which had persisted despite the frictions engendered by our "manifest destiny" expansion to the Pacific and acquisition of Texas and California. On the initiative of Secretary of State Blaine, the first general or constituent Conference

of the Inter-American System met at Washington in 1890. The moment was right for this move. During the immediately preceding period, from 1865 to the date of the Conference, the extraordinarily creative political effort of the Latin American republics to build a strong international organization for peace and security had subsided into lower-key activity, directed principally toward unification and uniformity in technical and legal matters of common convenience and interest. This development was fortunate since it was more akin to the pragmatic spirit with which the United States began to seek an alternative approach, based on voluntary cooperation, to the peace and security objectives of its foreign policy.

Although there were overtones and portents at the Washington conference of larger political purposes, such as the outlines of a plan for the peaceful settlement of international disputes, the conclusions of the meeting related chiefly to cooperation and exchange of information in technical and commercial matters. A principal accomplishment of the Conference was the creation of the Commercial Bureau of the American Republics, charged with compiling and distributing information and statistics on commercial matters. But even in this modest technical beginning there was an instinctive prevision of what was to come after. The Bureau was to be the central office of an "association" of the countries represented at the Conference, to be known as the International Union of the American Republics, for the prompt collection and distribution of commercial information. Though this title reflects the nomenclature of the times, when international unions, such as the Universal Postal Union, were being established in technical fields, the discussion at the Conference of issues more immediately related to peace and security gave substance to the feeling that only the scaffolding of the building had been erected. It was around the scaffolding inherent in the prescient concept of association or union of the American republics that the Inter-American System was built.

The stated minimum purpose of the Union established at Washington set the tone for the first essentially nonpolitical 45 years of Pan Americanism. Although the system evolved in a leisurely manner during this early period, it laid a sound foundation of organization and "know-how" of international cooperation for the modern super-

structure of the system built during the last 15 years and developed three principal organizational features: the conferences, the Pan American Union, and other permanent or special-purpose or temporary organizations. Developments in the last 15 years have simply brought those organizations to rapid maturity under the forcing processes of the age in which we live.

The end of World War II and the proposed establishment of a new world organization led the American republics to agree on a broad program for the "reorganization, consolidation and strengthening of the inter-American system", in order that it might become more effective in solving inter-American problems and in assuming its appropriate responsibilities in harmony with the principles and purposes of the United Nations. Under this plan, approved at the Inter-American Conference on Problems of War and Peace held in Mexico City a few months prior to the meeting of the United Nations conference in San Francisco, the System is to have three basic "charter" documents: a treaty on reciprocal assistance in the event of an attack or threat of aggression from within or without the Continent against an American republic; an over-all charter or organic pact of the Inter-American System, which will establish the organizational elements of the system and state its basic principles and purposes (including as annexed documents two declarations on the rights and duties of states and of man); a treaty which will coordinate, integrate, and bring up to date the inter-American procedures of pacific settlement.

The first basic instrument, the treaty on reciprocal assistance, was concluded at the recent conference at Petropolis, Brazil. The other two treaties and their supplementary and complementary declarations and resolutions are to be negotiated at the Ninth International Conference of American States to be held at Bogotá this coming year. Drafts of these documents have been prepared by committees of the Governing Board of the Pan American Union and by the Inter-American Juridical Committee at Rio de Janeiro.

These three fundamental organizational features of the Inter-American System are examined here in the light of the decisions reached at Mexico City, of the proposals made by the governments for consideration at the Bogotá conference, and of the probable impact on them of the new functions and responsibilities of the System. The

section on the institutions of the System is followed by a discussion of inter-American cooperation in the political and nonpolitical fields and of the relations of the System with the United Nations. The article concludes with a summary of the principal issues at the conference.

This analysis of the System will be made against the background of the historical development of its institutions, principles, and purposes. This method has been chosen over a less pedestrian approach on the theory that it will bring out more adequately how deep the roots of the System reach back into the past and how the plans for Bogotá reflect and are the product of the process of growth in mutual understanding and confidence which has made this regional association possible.

The Organs of the System

The draft organic pact prepared by committees of the Governing Board of the Pan American Union for the conference provides that "The inter-American system carries out its objectives through the following organs: *a.* The Inter-American Assemblies (Conferences); *b.* The Pan American Union; *c.* The specialized inter-American organizations".

The Conferences

The conference method is a fundamental and essential characteristic of the Inter-American System. Through this technique the member states have agreed upon basic policies and worked out ways and means of carrying them into effect. Until recently there were two main types of conferences: the International Conference of American States and the special and technical conference. A third type, the Meetings of Consultation of the Ministers of Foreign Affairs, was added in the late 1930's.

The International Conferences of American States are the over-all policy-making or constituent body of the System, and they in fact legislate on the organs of the System and their functions. Eight of these conferences were held in the first half century of the Pan American movement. The last one was held in Lima, Peru, in 1938, and the next will be held at Bogotá early in 1948. The conclusions of these conferences have taken the form of 40 treaties and several hundred recommendations, resolutions, and declarations. These documents have defined the basic principles and policies of the System, as well as objectives to be achieved through individual or collective action

of the member states in the political, social, cultural, legal, and technical fields. Contrary to what may be a popular impression, the record of ratifications of these inter-American treaties compares most favorably with that achieved in general by the signatories of world multilateral treaties.

The special and technical conferences are in fact two distinct types of meetings. The special conferences are actually, though not in form, special or extraordinary meetings of the International Conferences of American States. They deal with aspects of inter-American cooperation which cannot be treated at one of the regular meetings because of their fundamentally technical character or because of an emergency situation which does not permit delay before the scheduled date for the next general conference. The chief examples of these conferences are the Washington conference of 1929, called to conclude the inter-American treaties on conciliation and arbitration; the Buenos Aires conference of 1936, called on the initiative of President Roosevelt to devise means by which the peace of the Continent could be maintained in view of ominous developments in other parts of the world; the Mexico City conference of 1945 on "Problems of War and Peace"; and the conference of Petropolis, held in 1947 to conclude the inter-American treaty on reciprocal assistance.

The technical conferences in the main are, as the name indicates, meetings of experts called to work out technical problems and to agree upon the means by which broad policies established at the general conferences can be implemented by action through the governments, official inter-American organizations, or by private individuals or organizations. More than 200 of these conferences have been held and they, together with the special conferences, have been responsible for 67 inter-American treaties.

The last type of conference was developed as a device by which the principle of consultation on matters of peace and security, as well as on other important matters of common concern requiring urgent action, could be effected expeditiously. The principle itself was agreed upon at the special Buenos Aires conference of 1936, but it was not before the eighth general conference at Lima in 1938 that agreement was reached that the consultations could be effected by means of meetings of the Foreign Ministers. They are designed to bring together on short notice the top spokesmen on

foreign affairs of the executive branches of the 21 governments for rapid discussion and resolution of emergency issues. In distinction from the general and special conferences, their agenda are, in theory though not always in practice, limited to a specific issue and each government is entitled to only one delegate.

Shortly after the Lima conference war broke out in Europe and the threat to the peace and security of the American Continent led to the calling of three meetings of consultation at the three crisis stages of the war for the Americas. The first meeting was held at Panamá in 1939, shortly after Germany invaded Poland; the second was held at Habana in 1940, almost immediately after the fall of France, and the third meeting at Rio de Janeiro, a few weeks after Pearl Harbor.

From proposals made for consideration at the Conference at Bogotá this year, it is evident that the conference system will remain in its essentials. The stress will be on integration, coordination, and systematization. Thus, for example, all the conferences will probably be grouped under the category of "assemblies", as one of the three main organs of the System. The draft organic pact to be considered at Bogotá provides that "all the American States have the right to be represented in the Inter-American Assemblies". The assemblies will comprise the International Conferences of American States: the special conferences will become, in name as well as in fact, extraordinary meetings of the general conferences; the Meetings of Consultation of Foreign Ministers; the specialized conferences, at present the technical conferences. (See chart II.)

Although the rule that the general conferences should be held at five-year intervals has not always been honored because of varying circumstances, it will probably be continued as a target. The conferences will also evidently have the same role as in the past, although the extraordinary meetings, the meetings of Foreign Ministers, and better organized and managed specialized conferences should tend to limit their agenda to essential broad-gauge policy-making issues. The meetings of Foreign Ministers will retain their present function, but there will be greater stress on their limited emergency character and on policy-executing as against policy-formulating responsibilities. Thus they will be the "organ of consultation" on matters of peace and security

under the inter-American treaties on collective defense and pacific settlement. The specialized conferences will continue their present role. They will be held, as provided in the draft organic pact, "to consider special technical questions or to further specific aspects of inter-American cooperation". Probably the recent trend toward greater coordination of technical activities will be crystallized, in the form, perhaps, of a provision calling for a decision either of a general conference, a meeting of Foreign Ministers, or the Governing Board of the Pan American Union, before a specialized conference can be held.

The Pan American Union

Between 1890 and 1910 the name of the international association established at the first conference was contracted to Union of the American Republics, and the Commercial Bureau first became the International Bureau of the American Republics and finally the Pan American Union, and as such became the permanent organ of the Association, that is, of the System.

The Bureau created at the conference of 1890 was under the supervision of the Secretary of State of the United States. This arrangement, under which the host government supplied the secretariat and managed the affairs of the organization, was typical of the unions of this initial period of international organization. The second general conference in 1902, however, decided that the "management" should be in the hands of a governing board composed of the diplomatic representatives in Washington of the member states, under the chairmanship of the United States Secretary of State. At Habana in 1928 the formula was changed to provide that each government would appoint a special representative, but could at its option designate its diplomatic representatives in Washington. This arrangement continued until 1945, when the Mexico City conference resolved that the Governing Board should thereafter be composed of delegates especially designated by the member states rather than composed of their diplomatic representatives in Washington.¹ The same Conference agreed on the prin-

¹ Only approximately six governments have given effect to this resolution and on the insistence of certain member states, final decision has been deferred until the Bogotá conference.

ciple that the Chairman of the Board should not be eligible for reelection. It likewise agreed that the Director General and Assistant Director of the Pan American Union should be chosen for a term of 10 years and be ineligible for reelection, and also that neither could be succeeded by a person of the same nationality. These provisions foreshadowed for the first time a Chairman of the Board and a Director General of the Union not a citizen of the United States.

These changes in structure and internal organization paralleled simultaneous and expanding changes in functions. From being a center for the collection and distribution of information on commercial matters the Bureau was transformed gradually into a center for similar activities in other fields, including economic, social, cultural, legal, and technical. It also evolved from being simply the custodian of the records of the general conferences into the permanent commission of the conferences, with greatly enlarged secretariat functions. As a result of this evolution it acquired broad informational, promotional, research, and secretariat responsibilities and passed from being simply a technical agency representing the Association or Union into its permanent organ.

During this process the Pan American Union became more representative and more international. It became more representative because the control of the institution soon passed from being the sole responsibility of the host country to a governing body on which all the member states were represented. It became more international in that as this transformation in control occurred and as its functions expanded, it became more and more the instrument of the collective will of the association as expressed in the international agreements reached at the general conferences. Although there has been a tendency to disassociate the Governing Board and the Pan American Union, identifying the latter only with the administrative offices headed by the executive officer or Director General, the Union has been in fact the composite of these two organs.

In theory the Pan American Union has been the executive body of the System, but in reality it has had few operational responsibilities and has served principally in two capacities: as an international secretariat and as a center for the exchange of information and the promotion of inter-American cooperation in nonpolitical matters.

(a) SECRETARIAT AND NONPOLITICAL FUNCTIONS

In the role of secretariat the Governing Board and executive offices of the Union comprise the permanent bureau of the general conferences and, increasingly, of the System as a whole. In this respect the Pan American Union has been unique as an international secretariat in that its responsibilities as such have been discharged through the interaction in one organization of a governing body composed of representatives of the member governments and of a technical and administrative group of experts entirely international in character.

One of the principal secretariat functions of the Union is that of preparing the programs and regulations of the general conferences and meetings of Foreign Ministers. Moreover, although the old custom is still maintained under which the host country supplies the *ad hoc* secretariat of the conferences, the Union has, to an increasing extent, supplied technical assistance and some personnel. It also undertakes or directs the preparation of draft projects and background material on topics of the agenda of the conferences and serve as custodian of conference documents and proceedings and as depository of instruments of ratification of treaties and conventions.

The nonsecretariat aspect of the Pan American Union, namely, its informational, advisory, and promotional activities in economic, cultural, social, legal, and technical matters will apparently be greatly expanded at Bogotá. The direct execution of the policies and decisions of the conferences in these fields has been largely a matter of individual or *ad hoc* collective action by the governments themselves. Although the Pan American Union has had an important role in furthering this action through its secretariat and other functions, the need for permanent and adequate machinery became increasingly evident as inter-American relations expanded and became more organized and as certain limited operational activities were assumed by the organs of the System. The gradual but haphazard creation of special and permanent technical organizations independent of the Pan American Union is evidence of a slow groping for a solution. The beginnings of an alternative approach to the same problem is seen in the resolution on the Pan American Union at the fifth conference in 1923, in which provision is made for four permanent commissions to cooperate with the

Union in promoting economic, commercial, labor, social, and cultural relations. This provision was construed as calling for the appointment of such commissions from the membership of the Governing Board itself, that is, for the appointment of standing committees of the Board, rather than of commissions composed of technically qualified persons acting either as experts or representatives of the governments.

The war highlighted the lack of adequate supplementary machinery and led to the creation of special emergency bodies for economic and financial cooperation, for military and political defense, and for legal and technical assistance. These emergency organizations were created by the consultative meetings and organized by the Governing Board of the Pan American Union. In the postwar period the two approaches, of establishing commissions of the Governing Board as against setting up separate agencies, converged in a compromise formula which grew out of the war experience. The Mexico City conference transformed the emergency body for economic and financial cooperation into the permanent Inter-American Social and Economic Council as a dependent organ of the Governing Board. Under present plans for Bogotá there will be three additional councils dependent on the Governing Board—a military, a cultural, and a juridical agency. The four organs will be representative bodies, that is, they will be composed of technically qualified persons appointed by and representing the governments.

This formula will not, however, yield a uniform organizational pattern. It is now clear that probably wide variations between the councils will exist. The one constant will be that the Governing Board will have over-all policy or political responsibility, which must be exercised with due regard for the principle of technical autonomy. That is, the Governing Board will not be authorized to impede them from making recommendations to the governments or undertaking other activities within their respective technical fields. Another general though not constant feature will be that the organs will be linked organically *inter se* and with the Board through the secretariat of the Pan American Union, which will serve in that capacity for the entire Union, with the exception of the Military Defense Council. There will be other departures from uniformity.

Under a pre-Bogotá agreement reached recently by the governments through the Pan American Union, it is contemplated that the Conference will create these organs and outline their functions, and that the Governing Board will organize them after the Conference on the basis of the decisions at Bogotá.

Should the plans for these councils be approved, the Pan American Union, after Bogotá, will be the composite of the Governing Board, the four organs or councils, and the secretariat. As such the Union would be in fact as well as theory the central and permanent organ of the entire System and its general secretariat, with broad advisory and promotional responsibilities for inter-American cooperation in the economic, social, cultural, and technical fields.

(b) POLITICAL FUNCTIONS

In one important respect the Pan American Union became a case of arrested development: it was not permitted to discharge political functions. This apolitical, or more strictly speaking non-political, character was inherent in its technical beginnings, but with its expansion into the permanent organ of the system it might have been expected that it would acquire such functions. The reason often taken for granted that this did not occur was because of its location in Washington and consequently, the suspicion of being under the shadow if not actually a branch of the Department of State. Its location had its inhibiting effect and was unquestionably responsible for the express stipulation prohibiting the organization from undertaking political functions. This was introduced into the statutes of the Pan American Union at the sixth conference in 1928, during the high tide of Latin American reaction to United States interventions in the Caribbean area. Another explanation offered has been that the bar to the exercise of political functions was a deliberate method used to protect the Pan American Union from the stresses and strains of political and therefore controversial issues which might destroy it. The logic of this was that these stresses and strains should be borne by *ad hoc* or especially created organizations which could disappear without doing permanent damage to the System.

An additional and perhaps more fundamental explanation may be found in the fact that the

System as a whole, and this means specifically the general conferences, assumed executive political responsibilities only very recently. The two major aspects of international political activity with which the Inter-American System has been concerned relate to peace and security and to the formulation of principles of international conduct. In the first category are the treaties and conventions on pacific settlement such as those concluded at the fifth and seventh general conferences and at the special conciliation and arbitration conference of 1929; in the second are found the resolutions and declarations which deal with such problems as nonintervention and inter-American solidarity. With respect to both of these matters the general conferences, so far as they discussed these issues, limited themselves to the formulation of principles and policies, and of procedures by which the states could give them effect. The application of these principles and policies and the use of the procedures was left in the hands of the member governments acting individually or through special implementing agreements. There was no international compliance machinery. Thus the procedures of pacific settlement contained in the treaties referred to are essentially bilateral in character, and the general conferences themselves had no continuing or general responsibility for initiating them, for assuring their application, or for taking over when they failed.² The functions of the System on these matters were therefore considered to have been discharged when it achieved multilateral agreement on a principle or a procedure. From then on the success or failure of the principle or procedure depended on the good will and the good faith of the parties. If this was absent in a given case, through failure of a state to abide by an agreed standard of international conduct or through failure to utilize pacific settlement procedures, the problem had to be handled on an *ad hoc* basis.

The Pan American Union, as the executive-

²The permanent diplomatic commissions provided for in the Gondra treaty of 1923 and the conciliation convention of 1929, composed of the three longest accredited diplomatic representatives of the parties to these instruments in Washington and Montevideo, have certain rudimentary conciliation functions pending the setting up of the *ad hoc* bilateral commissions. This is, however, an essential part of the bilateral mechanism, there being no tie-back to the conferences.

secretariat branch of the System, evidently could not participate in this "legislative" or policy-formulating activity. From this point of view, there was no discrepancy or inconsistency therefore between the Union's role as permanent organ of the System and the prohibition placed on it against the discharge of political functions. With the assumption of collective responsibility for peace and security through the adoption of the principle and procedure of consultation, the Inter-American System acquired certain "executive" or compliance functions in political matters. With this development the Pan American Union became eligible to carry out political activities pursuant to directives given it by the conferences. The first step in this direction was the provision of resolution IX of the Mexico City conference of 1945, stipulating that the Governing Board:

"Shall take action, within the limitations imposed upon it by the International Conferences of American States or pursuant to the specific direction of the Meetings of the Ministers of Foreign Affairs, on every matter that affects the effective functioning of the inter-American system and the solidarity and general welfare of the American Republics".

This formula was sufficiently ambiguous to leave the issue up in the air. Vestiges of the old rationale for keeping the Union out of the political field were still in evidence at the Mexico City conference and again at the recent Rio conference. The broad latitude for political activities given the Union under the above formula was considered by some as being conditioned on the full acceptance of the principle of *ad hoc* or special representation on the Governing Board. This principle, which supposedly was designed to remove the Pan American Union from the runored shadow of the Department of State, was given effect by only a few of the member governments, and its application was finally held in abeyance pending a decision at Bogotá. Similarly, subsequent to the Mexico City conference, proposals were made which would remove the Governing Board from Washington, or which envisage the creation of a new permanent political organ in some other capital of America.

The treaty on reciprocal assistance signed at Rio has apparently definitely closed the issue since it gives the Governing Board the power to act pro-

visionally, pending a meeting of the Foreign Ministers, as the organ through which the governments effect consultations and take decisions under the treaty. It can thus discharge the maximum political responsibilities assumed by the Inter-American System. This provision of the Rio treaty will unquestionably be incorporated in the organic pact at Bogotá. In all probability a similar provision will also be included with respect to any collective responsibility assumed by the System for pacific settlement.

The Specialized Organizations

The Mexico City conference in resolution IX stipulated that the Governing Board of the Pan American Union:

“Shall supervise the inter-American agencies which are or may become related to the Pan American Union, and shall receive and approve annual or special reports from these agencies.”

It also stipulated that:

“The draft charter [of the reorganized Inter-American System] shall provide for the strengthening of the inter-American system on the bases of this resolution and by the creation of new agencies or the elimination or adaptation of existing agencies, specifying and coordinating their functions as among themselves and with the world organization.”

These provisions concern the permanent or special-purpose organizations created by the inter-American conferences primarily to promote cooperation in certain technical fields through studies, exchange of information, and recommendations to the governments and the conferences. (See chart I for list.)

The draft organic pact of the Inter-American System provides that these organizations shall constitute the third main organ of the System, to be known as “the Specialized Organizations.”

In this area developments have been primarily on an *ad hoc* basis, largely without a planned pattern or over-all direction or supervision, and without adequate funds for effective secretariat or operational activities. The results of the activities of these organizations have been excellent in some areas but definitely negligible in others. The Bogotá conference will undoubtedly give serious consideration to the problem in terms of the Mexico City resolution. Its conclusions will

probably entail a reduction in the number of these organizations and the establishment of coordinated relations among those that remain and between these and the Pan American Union.

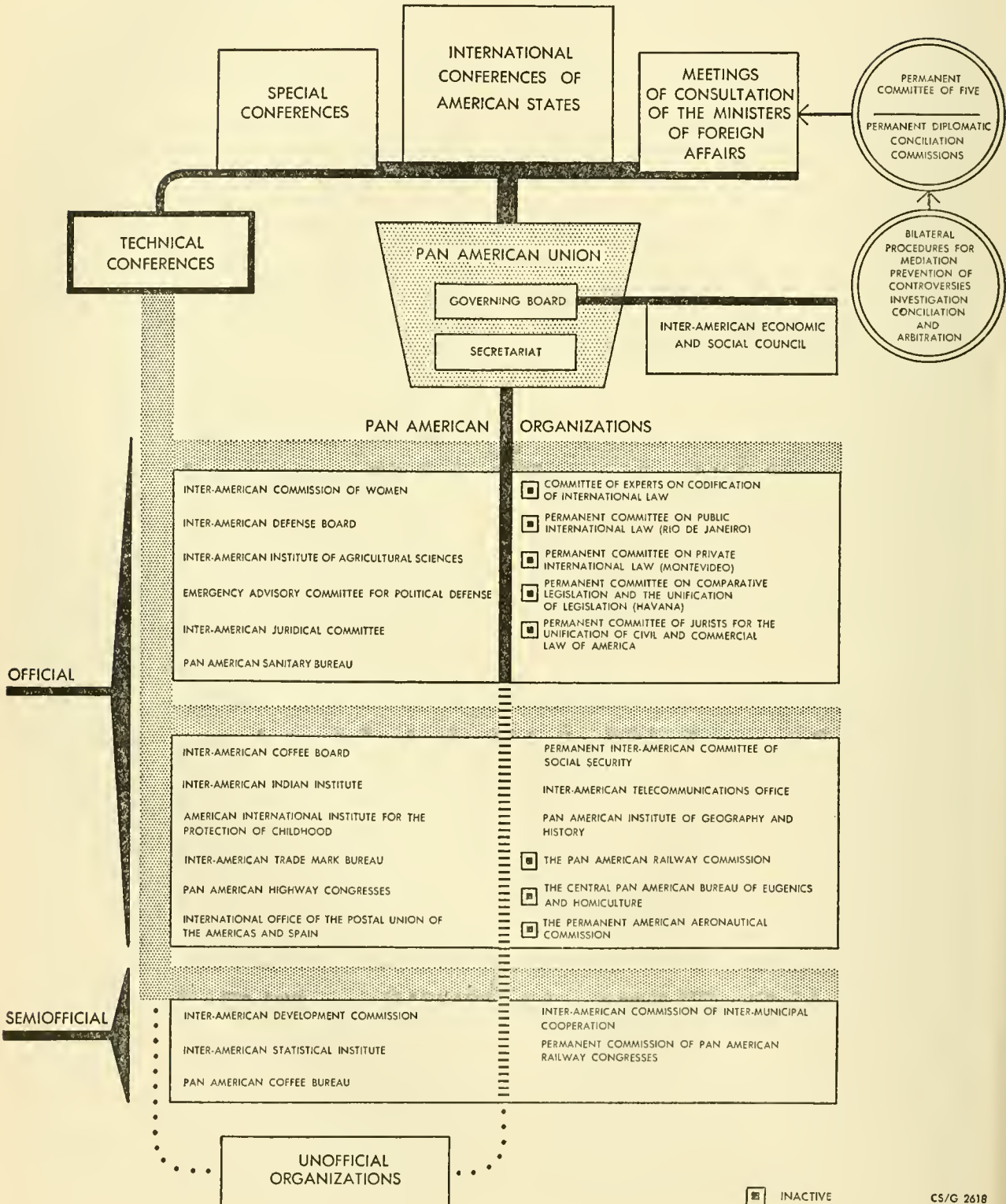
The specialized organizations differ from the councils of the Pan American Union in three aspects. As a general rule they are separate and autonomous bodies forming a distinct organizational group in the system; they will have their own secretariats, and they will have narrower subject and functional assignments than the councils. There will probably be such variation and departure from the norm, however, that in some cases the distinction may be somewhat meaningless. It is quite likely, for example, that the military defense agency, a dependent organ, will have its own secretariat; whereas the Inter-American Commission of Women, a specialized agency, may rely on the Pan American Union secretariat.

It is evident that an important issue is involved in these apparent contradictions in which a basic principle of structure and function is qualified in many ways. In the United Nations this issue is dealt with in articles 57 and 63 of the Charter, which recognize the principle of autonomy in the specialized field but contain a flexible formula which permits agreements for a lesser or greater relationship between the specialized organizations and the United Nations. The factors responsible for certain contradictions in the inter-American problem of devising a coherent and workable organizational pattern are already operating to produce a similar situation in the United Nations. These factors are the need for economy and the need to avoid duplication and overlapping of effort. These problems arise from multiplicity of secretariats and the impossibility of rigidly compartmentalizing the different specialized fields.

An added factor in the inter-American situation is the feeling that some of these roving satellites of the System either have occasionally dissipated their energies because of the lack of an over-all perspective or objective or have simply occupied a “paper” position in the System, creating a false appearance of planning and activity which tended to inhibit by preemption constructive thought on the problems which they were supposedly handling. If these regional organizations are to perform effectively the responsibilities which may devolve upon them as regional agencies or offices of, or under

CHART I

PRESENT INTER-AMERICAN SYSTEM



cooperative agreements with, world organizations, a greater over-all integration must be planned within the region as a whole.

Should certain ideas now current prevail at Bogotá, there will be a considerable degree of supervision and control by the Governing Board over the specialized organizations. The draft organic pact contains provisions that these organizations shall be registered in the Pan American Union, that they shall make reports to the Governing Board and that the Board shall have general supervision over their activities, with due regard for the principle of technical autonomy. A uniform or common fiscal system administered by the Union for all inter-American organizations is also being considered. A strong tendency toward centralization with respect to the specialized conferences, the conference counterpart, and indeed in many cases the conference aspect of specialized organization activity is apparent.

It is not anticipated that Bogotá will take decisions regarding the details of the reorganization of individual specialized organizations, with the exception of the Inter-American Commission of Women.³ The Bogotá conference will probably nevertheless reach general conclusions regarding the elimination or integration of certain organizations, including specifically the large number of relatively inactive agencies in the legal field, which will be combined in the Juridical Council.

Principles and Purposes of the System

In the preceding discussion of the three basic organizational characteristics of the Inter-American System the emerging outline of the reorganized system can be seen. This outline is a rough composite of proposals made by the governments for consideration at Bogotá. (See chart II.)

Political Cooperation

The political activities of the Inter-American System culminated in the treaties on pacific settlement, the agreements on consultation and obligations for the maintenance of peace and security, the protocol of nonintervention of 1936, and the declarations on principles of inter-American solidarity and cooperation and of rights and duties of states.

The process by which these results were achieved usually began in an initial statement by a conference of a desirable rule of international conduct

in the form of a declaration of a self-evident truth or categorical imperative, or of a recommended course of practical action. This initiative was followed by a series of formulations and reformulations, of affirmations and reaffirmations of the initial statement in the form of conference recommendations and resolutions. Through this seemingly highly redundant process, new forms of law and policy were evolved, and refinement of language and basic accommodation of divergent views were achieved for eventual incorporation in a treaty or convention. This process still continues.

(a) SECURITY AND PACIFIC SETTLEMENT

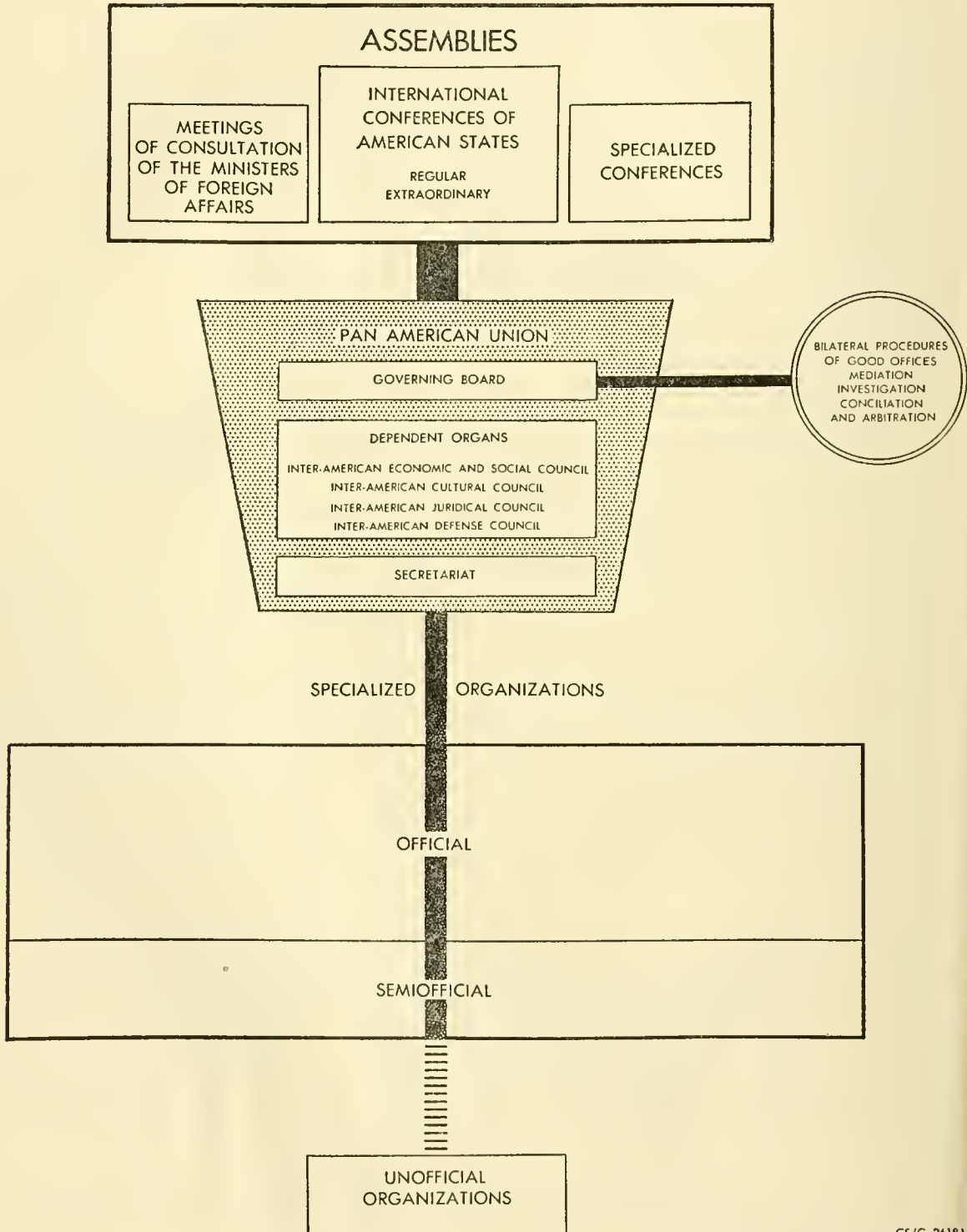
In the field of security and pacific settlement the initiative was taken originally by the first general conference in Washington in 1890, in its recommendations that the participating governments denounce the principle of conquest and agree upon a uniform treaty for compulsory arbitration subject only to the restriction then current on matters affecting independence. The trends which these recommendations set in motion finally resulted in a series of treaties, concluded between 1923 and 1936, on good offices and mediation, prevention of controversies, inquiry, conciliation, and arbitration. As indicated previously, these treaties provided for *ad hoc* machinery for the bilateral settlement of disputes but gave the System itself no continuing responsibility. A hesitant step toward collective action was taken in 1933 when the seventh general conference recommended that the participating governments adhere to the anti-war treaty of non-aggression and conciliation, which had been signed the same year at Rio de Janeiro by six American republics. This treaty condemns wars of aggression, stipulates the principles of pacific settlement of disputes and of non-recognition of territory acquired by force, and binds the parties, in the event of a violation of these principles, to "adopt in their character as neutrals a common and solidary attitude", to "exercise the political, juridical, or economic means authorized by international law," and to "bring the influence of public opinion to bear" without resorting to intervention,

³ Approval of the statutes of this organization is specifically on the agenda by reference from the Mexico City conference of 1945.

CHART II

SUGGESTED REVISION OF INTER-AMERICAN SYSTEM

(TO BE CONSIDERED AT BOGOTA CONFERENCE, 1948)



either diplomatic or armed. There was no provision for means by which the "solidary attitude" could be crystallized. This suggestion of a mild form of collective action was therefore a step forward within the framework of the bilateral pacific settlement structure.

The definite step forward toward meshing the machinery for pacific settlement with the System took place three years later at the special conference of Buenos Aires of 1936, when agreement was reached on the principle of consultation. The primary objective of consultation was to assist, through the tender of good offices and mediation, in the fulfilment by the parties to the dispute of the obligations they had assumed in the treaties on pacific settlement. In the event this collective mediation failed and hostilities broke out, the other states were not only to adopt the solidary attitude called for in the antiwar treaty, but they also were individually to impose such embargoes on arms, munitions, and implements of war and on loans and financial help "to the states in conflict" as was authorized by the domestic legislation of each state. No distinction between aggressor and victim was to be drawn and no sanctions were to be applied; the objective of the consultation was simply to "seek methods of peaceful collaboration" to induce the parties to settle their differences.

With this undertaking, consultation became the collective capstone of the bilateral pacific-settlement structure. This development had solid foundation in the cooperative techniques and organization forged during the previous fifty years and in the formulation and gradual secularization of the principle of common responsibility for the internal peace of the Continent.

The political coming of age of the System made possible another innovation, also introduced at the conference of Buenos Aires: the acceptance of collective responsibility for the security of the Americas against external dangers. It was agreed that in the event of a war outside America which might threaten the peace of the Continent, consultation would take place "to determine cooperation in action tending to preserve the peace of the American Continent." When war broke out in Europe in 1939, this provision was invoked for the purpose of agreeing on means by which the Americas could be insulated from its effects. Between that date and the attack on Pearl Harbor, the formula was developed in the Declaration of Habana adopted

by the Second Consultative Meeting in 1940. In this document it was agreed:

"that any attempt on the part of a non-American state against the integrity or inviolability of the territory, the sovereignty or the political independence of an American state shall be considered as an act of aggression against the states which sign this declaration."

It was further agreed that the signatory states would consult among themselves in order to agree upon advisable measures to take in the event an act of aggression was committed, or if there was reason to believe that an act of aggression was being prepared by a non-American nation against an American nation. Immediately upon the attack on Pearl Harbor this undertaking was invoked and the Third Meeting of Consultation was thereupon held at Rio de Janeiro in January of 1942, at which agreement was reached on the bases for cooperation in the war against the Axis.

In this development of the principle and procedures of consultation for peace and security, a distinction emerged between an intra- and an extra-continental situation. In an intra-American situation, consultation was a vehicle for collective mediation for pacific settlement purposes and for reaching a collective understanding to take individual action to deprive the parties engaged in hostilities of the means by which they could continue the war. Inter-American action in such a situation stopped short of an identification of the aggressor and application of sanctions, that is, of collective enforcement action. In the case of an extra-continental situation, the principle of one for all and all for one had developed during the war and had become the basis of collective and individual political, economic, and military action against aggression.

This distinction may be explained as the product of two factors: first, a lag in the transition from the principle of maintaining the internal peace of the Continent by mediation and moral suasion to the concept that aggression, from whatever source, can and should in fact and in principle be met by coercive action; secondly, the fact that external aggression would directly engage the vital security interests of the entire Continent and that attempting to meet it by an appeal to pacific settlement or by an impartial embargo on the aggressor and victim was patently unrealistic.

The special conference of Mexico City of 1945 eliminated the distinction between the two situations, by the Act of Chapultepec in which it was agreed that for the duration of the war any attack, regardless of the place in which it originated, would be considered an attack against all the American republics. The principle of the Declaration of Habana therefore would apply regardless of the source of the attack, whether by an American state or by a non-American state.

This basic principle was given permanent form in the treaty of reciprocal assistance signed at the special conference at Rio de Janeiro this year.⁴ The Rio treaty constitutes a regional arrangement for the maintenance of peace and security under articles 52 through 54 of the United Nations Charter. It also invokes the right of individual and collective self-defense under article 51 in the case of an armed attack, pending the taking of the necessary measures by the Security Council to maintain international peace and security. Besides incorporating the principle of the Act of Chapultepec that an attack against one is an attack against all, the treaty provides for consultation in the event of an act or threat of aggression against an American state or of any fact or situation which might endanger the peace of the Americas. Under the terms of the treaty, decisions may be taken to recall chiefs of diplomatic missions, break diplomatic relations, break consular relations, interrupt in partial or complete form economic and communications relations, and to use armed force. These decisions are binding on all parties, including those not concurring, when taken by a two-thirds vote, except that no state is required to use armed force without its consent. The decisions are to be taken by the organ of consultation, which is either the meeting of Foreign Ministers of the signatory states that ratified the treaty or, provisionally, pending such a meeting, the Governing Board of the Pan American Union.

In the case of an armed attack from any source made within a Western Hemisphere area delimited in the treaty or within the territory of an American state outside the area, an obligation is placed upon the parties to assist in meeting the

attack. This obligation may be fulfilled immediately by each state acting individually or on the basis of the decisions reached through consultation. By this provision the treaty converts the right of collective self-defense in article 51 of the United Nations Charter into an obligation.

The Rio treaty brings to a close an extraordinarily creative phase in the political evolution of the Inter-American System. The significant innovations which it introduces into the System are:

1. The obligations to assist in meeting an armed attack and to assist the victim of any other act of aggression;
2. The binding character of a consultative decision reached by two-thirds vote;
3. The elimination of the distinction in the treatment of aggression depending on whether it is from inside or from outside the Continent and the corollary undertaking to apply coercive measures against an aggressor member of the System;
4. The granting of political responsibilities to the Pan American Union;
5. The meshing of the System into the United Nations as a regional arrangement for the maintenance of peace and security. This arrangement establishes for the first time a legal and functional relationship between the Inter-American System and world organization in such a way as to make the former an integral part of the universal system for collective security.

The agreement on voting alone points up the extraordinary nature of these developments. The voting procedure governing decisions in the inter-American conferences and in the organizations of the Inter-American System has been that of majority rule, each American republic having one vote. These decisions were not binding on the non-concurring states and, except in the case of ratified treaties, were binding on the concurring states in the sense of representing recommendations to which they had given their assent. This majority rule, however, has been generally qualified by a striving for unanimity on controversial and political issues. The primary motivation for this has been the desire to take important decisions only with the concurrence of all the members of the System.

The fact that most collective decisions in the System were in the form of recommendations,

⁴For an analysis of this treaty see report by the Senate Committee on Foreign Relations, Dec. 5, 1947, 80th Cong., 1st sess. See also article by Ward P. Allen, *BULLETIN* of Nov. 23, 1947, p. 983.

resolutions, or of treaties signed *ad referendum* and that, generally speaking, the System as such did not attempt to cope with controversial issues of great moment, prevented the unwritten rule of unanimity from becoming an obstacle to progress. This characteristic of the System was described by Secretary of State Root in his instructions to the U.S. Delegation at the third general conference in 1906, when he said that the purpose of these conferences was "to deal with matters of common interest which are not really subjects of controversy, but upon which comparison of views and friendly discussion may smooth away differences of detail, develop substantial agreement, and lead to cooperation along common lines for the attainment of objects which all really desire".

With the Act of Chapultepec the System entered a phase of its development in which this state of affairs was altered. It now has "executive" or compliance responsibilities for the maintenance of peace and security. Under the act and more recently under the permanent treaty of Rio which succeeded it, decisions of major political and security importance are contemplated; moreover, under the Rio treaty the members of the System have not only undertaken to deal with these major issues but have also agreed to be bound to take specified action on a two-thirds vote of their fellow members.

The problem of relating the Rio treaty to the United Nations Charter in connection with armed attack has its counterpart on the other extreme in the problem of synchronizing the treaty with the pacific-settlement structure of the Inter-American System. Article 7 of the treaty stipulates:

"In the case of a conflict between two or more American States, without prejudice to the right of self-defense in conformity with Article 51 of the Charter of the United Nations, the High Contracting Parties, meeting in consultation shall call upon the contending States to suspend hostilities and restore matters to the *status quo ante bellum*, and shall take in addition all other necessary measures to reestablish or maintain inter-American peace and security and for the solution of the conflict by peaceful means. The rejection of the pacifying action will be considered in the determination of the aggressor and in the application of the measures which the consultative meeting may agree upon".

This provision does not violate the principle that there shall be no difference in the treatment to be accorded aggression, regardless of its origin, nor does it mean that individual assistance prior to consultation may not be given. Its essential feature is that the first objective of consultative action will be to separate the contending parties and to bring them together in peace. In this latter respect, the Rio treaty carries the issue to the threshold of pacific settlement, where the procedures for the peaceful solution of controversies will take over. These will be of two interrelated categories: the bilateral and the collective.

The first raises for Bogotá the problem of coordinating and improving the existing bilateral procedures of good offices and mediation, investigation, conciliation and arbitration, and of relating these to judicial settlement by reference to the International Court of Justice. There appears to be substantial agreement on the problem of coordination, which arises primarily from the fact that the existing procedures are unrelated to each other and are included in a variety of treaties. The problem of "improving" the procedures, on the other hand, will probably give rise to differences of view, particularly on the role of arbitration and its relation to judicial settlement. Perhaps the principal issue to come up at the conference in this connection is raised by proposals that in the event other means of pacific settlement fail, the parties to the dispute shall be bound to arbitrate, regardless of whether the controversy is political or legal in character. Matters of domestic jurisdiction are excluded in these proposals, but some of them provide for adjudication of the domestic or international character of a case. In advancing the thesis of unlimited compulsory arbitration of all disputes, these proposals go considerably beyond the principle of compulsory arbitration of legal disputes agreed upon in the inter-American treaty of 1929. The Bogotá conference must also decide, in view of the existence of the International Court of Justice, of which all the American states are parties, and of provisions in its statutes for chambers of the Court to meet elsewhere than at The Hague, whether elaborate bilateral arbitration machinery is necessary.

The collective aspect raises the problem of determining the procedure, scope, and objective of consultation, in other words, the organ of consul-

tation, and its functions and powers in the field of pacific settlement. It is not unlikely that the organizational pattern of the Rio treaty will be followed and that the organ will be the meetings of Foreign Ministers, with the Governing Board of the Pan American Union empowered to act provisionally in that capacity. The powers of the organ of consultation will include, in all probability, the type of good offices and mediation agreed upon in the Buenos Aires conventions of 1936. This method will involve not only the attempt to bring the parties together but also recommendations of procedures of pacific settlement which they may use, and perhaps encompass *post office* and interim conciliation functions similar to those granted the permanent diplomatic commissions created by the conciliation convention of 1929.

The emphasis throughout will unquestionably be on encouraging the parties to settle by means of their own choice. The question immediately will be raised regarding the circumstances under which consultation will be invoked. Perhaps the formula will be that consultation shall apply, either on request of one of the parties or on the initiative of the organ of consultation, to disputes susceptible of endangering the maintenance of peace and security. Another point will be whether collective action should be limited to moral suasion or should include such functions as investigation and recommendation of terms of settlement, on the analogy of those given the Security Council of the United Nations. This action would in effect empower the organ of consultation to act as a conciliation body. The transition from consultation for pacific-settlement purposes to consultation for coercive action will also be considered. No difficulty should be met here since the criterion has already been established in the Rio treaty that consultation shall apply in all cases of armed attack or threats or other acts of aggression or any fact or situation that might endanger the peace of America.

This entire structure must be designed to satisfy a long-felt need in the System for the improvement and coordination of the treaties on pacific settlement,⁵ and to give full effect to the provisions

⁵ See Resolution XV on "Perfection, Coordination of the Inter-American Peace Instruments", approved by the Eighth International Conference of American States at Lima in 1938.

of the United Nations Charter, in articles 33 and 52, which enjoin the member states to make every effort to settle their international differences by peaceful procedures and by reference to regional agencies or arrangements before taking them to the United Nations.

(b) BASIC PRINCIPLES OF THE INTER-AMERICAN SYSTEM

The development of procedures of pacific settlement and of consultation for the maintenance of peace and security was inseparably connected with the gradual evolution of principles of solidarity and cooperation designed to establish common values of international conduct. These principles are an integral part of the political frame of reference of the System.

The process by which these principles were evolved began with the recommendation of the first general conference in 1890, calling for the denunciation of the principle of conquest. Subsequent conferences formulated other principles by which a continuing effort was made to broaden the area of agreement, in terms of rules of policy or law, with respect to standing or recurring issues between the member states as well as the definition of the objectives of their cooperative efforts to create conditions favorable to peace.

Thus the denunciation of the principle of conquest was followed by a series of declarations denouncing war, the use of force as a national policy, and the forcible acquisition of territory and establishing the principle of peaceful settlement of disputes and of non-recognition of territory or special advantages acquired by force. Supporting these declarations but with broader implications, the basic principle that states are juridically equal, enjoy the same rights, and have equal capacity to exercise them, became an unquestioned postulate of inter-American relations. In the same way, good faith and respect for and the peaceful observance of treaties was established as "the indispensable rule for the development of relations between states."

By laying the basis for a code of enlightened rules of conduct and law, these principles contributed significantly to the development of an environment of mutual confidence and made possible the progressive release of the power for constructive action latent in the expanding idea of international cooperation for the promotion of common

interests. It also cleared the ground for the adoption of the principle that an attack against one is an attack against all and for the assumption of collective responsibility for the internal and external peace and security of the Continent.

While these basic principles were processed through insistent formulation and affirmation at the succeeding conferences, their specific application in the case of intervention became the decisive test of their transition into rules of conduct in the day-to-day jurisprudence of the nations.

Although international law does not provide a complete answer to the question of the exact scope of intervention, there appears to be general agreement among publicists that intervention is dictatorial or arbitrary interference of a state, acting on its own individual judgment, in the affairs of another for the purpose of maintaining or altering the actual condition of things in the latter state.

This problem had in the Americas certain well-defined aspects. The first related to the so-called preventive intervention, or the "Theodore Roosevelt corollary" to the Monroe Doctrine, under which the United States assumed a unilateral responsibility for guaranteeing internal order in certain American republics, particularly in the Caribbean area, to forestall action by non-American states to enforce claims in a manner which might lead to political domination or permanent occupation of American territory by such states. Another aspect was the right claimed by the United States under international law to intervene by force, if necessary, when governments in these republics broke down and American citizens were in danger. A third phase of the problem concerned the use of force to collect public or contractual debts.

These issues were reducible, generally speaking, to the basic question of whether one state may unilaterally use force or other coercive measures against another state to protect its interests or those of its citizens.

The first facet of the question that the American states took up at the inter-American conferences concerned the use of force for the recovery of public debt. An effort was made initially to agree on the general principle called the Drago Doctrine—after its Argentine initiator—that force could not be used for this purpose. The thesis proved unacceptable without the qualification that it would not apply if a debtor state re-

fused or otherwise frustrated recourse to arbitration. The so-called Porter amendment to the Drago Doctrine was included in the Hague convention of 1907 on the subject. This exception was countered by the condition formulated by several Latin American states that arbitration would apply only if the remedies offered by local law and tribunals had been exhausted, and a denial of justice had been established. This series of moves showed that a firm meeting of minds even on this narrow issue had not been reached.

A broader approach designed to establish a new frame of reference for the major issue of unilateral use of force or coercion was meanwhile being developed through the inter-American codification techniques, taking the form of a draft resolution on the rights and duties of states submitted initially at the sixth general conference in 1928. This draft contained the proposition that "no state has the right to intervene in the internal affairs of another." The immediate question was whether this language correctly stated the applicable rule of international law. The United States maintained that it contravened a generally accepted rule which permitted intervention under certain circumstances. No agreement was possible at that conference.

However, the progressive acceptance in theory and in practice of the principles of sovereign juridical equality, of repudiation of force, of pacific settlement, of good faith and of cooperation for the promotion of common interests, which are all standards of a highly developed and responsible community of nations, made possible the eventual adoption of the nonintervention rule. The crystallization of these principles in the good-neighbor policy and the assumption of common responsibility for the maintenance of peace and the territorial integrity and political independence of the American states further established conditions favorable to the adoption of that principle.

Only five years after the sixth conference, agreement was reached at the seventh conference at Montevideo in 1933 on the principle, incorporated in the Convention on Rights and Duties of States, that "No state has a right to intervene in the internal or external affairs of another." Three years later, at the special conference at Buenos Aires for the maintenance of peace, the principle of nonintervention was accepted as a treaty obligation in the following unequivocal and sweep-

ing terms: "The High Contracting Parties declare inadmissible the intervention of any one of them, directly or indirectly, and for whatever reason, in the internal or external affairs of any other of the Parties."

There was nevertheless a general realization that the dynamics of a developing peaceful order require not only rejection of the old but also construction of the new. The question remained: With the rejection of the use of force or coercion as final arbiters in these matters, what collective responsibility and what rules of law should take their place? Awareness of this problem was shown by the rapid assumption, as described previously, of collective responsibility for the security and peace of the Western Hemisphere in the event of any fact or situation which might affect them. Under the Rio treaty on mutual assistance and the proposed organic pact, members of the Inter-American System will be able to act on the basis of predetermined principles, obligations, and procedures agreed upon and to be executed in the exercise of the sovereignty and independence of each state as a member of an interdependent community of nations. Action under these arrangements will consequently not constitute intervention since arbitrary action of any kind is precluded. This principle is stated in the draft organic pact as follows: "Collective action provided for in this Pact and in the Charter of the UN does not constitute intervention."

There still remains, moreover, the need to reach full agreement on whether certain existing international principles or practices fall or should fall within the general prohibition of the principle of nonintervention. Two specific issues relate to the diplomatic protection of citizens and the recognition of governments.

With respect to the first, treaty agreements of limited duration for the reference to arbitration of pecuniary claims of citizens of one state against

the government of another were signed at the second and third general inter-American conferences, and a definitive treaty on the subject was concluded at the fourth conference. This treaty is still in effect between 11 American states, including the United States.

A more comprehensive approach to the problem of diplomatic protection was the attempt at several inter-American conferences to reach agreement on the blanket principle that the alien is not entitled to any different treatment from that accorded the citizen. As usual in efforts to settle complex problems of this character by way of general principles alone, this approach left unsettled the basic issues and simply tended to shift the center of gravity of the discussion. It was contended, on the one hand, that the principle carried the implication that a state could not intervene diplomatically on behalf of its citizens, regardless of the treatment accorded them, when that treatment was the same for the alien and citizen. Indeed, in some quarters the extreme conclusion was drawn that since the citizen could not invoke diplomatic protection, neither could the alien. It was held, on the other hand, that a state, as a member of the civilized community of nations, is required by international law to maintain a minimum standard in its treatment of aliens in its territory and that therefore the state of their origin is entitled to intercede diplomatically on their behalf when that treatment falls below that standard.

The issue thus joined raised a series of questions revolving around the broad subject of the international responsibility of the state and the relationship of international law to national law. These questions were discussed most recently at the Buenos Aires conference of 1936 and at the eighth general conference at Lima in 1938 and are still awaiting agreement.⁶

Under a resolution of the latter conference, these questions were referred to the inter-American codification agencies for further consideration and the formulation of appropriate recommendations to the governments and the conferences. This topic, however, is not on the agenda of the Bogotá conference, except so far as it may arise in general terms in connection with the declaration on the rights and duties of states. With the elimination of recourse to force or coercion, the entire subject of the international responsibility of the state is

⁶ These questions include: What recourse has the creditor state in the case of public debts when there is inability to pay, and how is the *bona fides* of this to be determined? What constitutes denial of justice, and under what circumstances is diplomatic interposition justified? Does the Calvo clause—under which the citizens of one country doing business in another are required to agree not to invoke diplomatic assistance for the recovery of contractual debts or of claims for loss or damage to property or life—validly foreclose diplomatic interposition of any kind?

being considered on an entirely different plane. It is evident that a solution based on acceptable peaceful alternatives can be found. Moreover, the development of effective procedures of pacific settlement should facilitate this task greatly.

The second main issue mentioned above, the recognition of *de facto* governments, is an old issue of principle and practice which has become identified with the names of two Latin American statesmen, the Mexican Estrada and the Ecuadoran Tobar. The Estrada Doctrine is historically a reaction to the policy of the United States prevailing at the time the doctrine was enunciated, under which this country refused to recognize governments of other American republics which were not in its opinion legally constituted. Estrada contended that recognition, in placing the recognizing government in a position of passing judgment on the legal capacity of another government, is derogatory of the dignity and sovereignty of the country whose government is recognized or not recognized and involves an interference in its internal affairs. For this reason he held that a government should simply maintain or recall, when it deemed it appropriate, its diplomatic representatives in other countries and accept, also at its sole discretion, those accredited to it. He considered that this procedure avoided the necessity for expressing either acceptance or rejection of a new régime. The Tobar doctrine, on the other hand, was a reaction to the frequency with which governments in certain Latin American republics were overthrown by force. He contended that, by confirming the existence of governments established by force, recognition tended to foment revolutions. He proposed, for that reason, that governments established in a manner contrary to the constitution of the country should not be recognized.

The American republics have adopted no uniform rules on the recognition of *de facto* governments. In fact, individual governments have sometimes wide variations in practice. Nevertheless, under existing practices states normally set the two following conditions for granting recognition: (1) that the new government is in control of the administrative machinery of the state; (2) that it is willing and apparently able to fulfil its international obligations. A third condition is sometimes added, namely, that there is no active resistance to the rule of the new government. Recent developments indicate a strong trend for con-

sultation for the purpose of exchanging views and reaching a common understanding prior to individual decision on recognition of *de facto* governments. This appears to be a generalization of the established custom under which the governments of neighboring countries and those most directly interested ordinarily consult informally among themselves before granting recognition.

Under a specific topic on the agenda of the Bogotá conference, the problem of *de facto* governments is to be examined in the light of two concrete proposals which were referred for consideration to the ninth conference by the Mexico City conference. One of these projects, formulated by the Ecuadoran Delegation at the latter conference, provided for the "abolition of the practice of recognizing *de facto* governments," on the ground that this practice violates "the autonomy or domestic sovereignty of the states and constitutes arbitrary interference or intervention in their affairs." The other project, submitted by the Guatemalan Delegation, recommended that the American republics "refrain from granting recognition to and maintaining relations with anti-democratic régimes," particularly those resulting from a *coup d'état* against legitimately established governments of a democratic character. This proposal was justified on the ground that antidemocratic régimes constitute "a serious danger to the unity, solidarity, peace and defense of the continent."

In these two proposals the conference will have before it the specific issues of whether the practice of recognition is *per se* arbitrary interference in the domestic affairs of the state as maintained by Estrada; whether uniform rules can be elaborated which will mitigate the possibility that recognition may be used in individual cases unduly and improperly to influence changes of government in other states; and whether nonrecognition should be used as a collective means by which the establishment of antidemocratic governments in the Americas may be discouraged. The latter point will not of course raise the specific question of whether nonrecognition or withdrawal of diplomatic representatives is an appropriate collective measure against a state which threatens or breaks the peace or commits an act of aggression. This question has already been settled in the affirmative in the Charter of the United Nations and in the Rio treaty of mutual assistance.

Social, Economic, Cultural, and Legal Cooperation

Inter-American cooperation in non-political matters has been characterized by a gradual but certain expansion and intensification in all fields. It has been like a mountain stream which broadens and deepens into a great river as it is fed by tributaries in its course toward the sea.

As indicated in the introduction to this article, the conclusions of the first conference in 1890 related chiefly to interchange of information and technical cooperation, particularly in commercial and economic matters. Its principal recommendations dealt with such matters as the adoption of a uniform system of weights and measures, nomenclature of merchandise, improvement of transportation and communication, patents and trademarks, consular fees, and custom and sanitary regulations. However, the outlines of more ambitious ideas were sketched. These were so far-reaching that they still remain, after more than half a century, in the realm of ideals. They included an intercontinental railway, an inter-American bank, an inter-American customs union, and an inter-American monetary union.⁷

Cultural cooperation was mentioned only in a resolution creating a Latin American library to commemorate the conference in which should be deposited all documents relating to the history and civilization of the Americas. Legal cooperation was limited to recommendations for the conclusion of treaties on the extradition of criminals and for adherence to the South American treaties of 1888 on private international law and civil, commercial, and procedural law.

To this frame of reference succeeding conferences kept adding specific subjects in the economic, social, cultural, and legal fields until comprehensive programs and suitable techniques were evolved. The underlying purpose has been to obtain not only the material advantages of this cooperation but also the international understanding and cooperation which is basic to increased friendly relations among nations.

(a) ECONOMIC AND SOCIAL

While continuing to study and make recommendations on the technical subjects considered by the

⁷The last two topics were on the agenda of the conference by specific direction of the act of Congress of the United States which authorized the calling of the conference.

first conference of 1890, later conferences laid increasing stress on more fundamental economic and social problems. This took the form of conference conclusions dealing with the promotion of economic, financial, commercial, and agricultural cooperation, including the adoption of common policies, uniformity of legislation, and standardization of regulations and practices, commercial arbitration, and exchange of information. Increasing attention was given to development of natural resources, industrialization, liberal commercial policies, and removal of unnecessary or artificial restrictions upon international trade. More and more emphasis was placed on the solution of social problems, including sanitation, public health, improvement of the material conditions of workers, malnutrition, child welfare, and housing problems. The most inclusive and comprehensive statement of these objectives is contained in the Economic Charter of the Americas and the Declaration of the Social Principles of America, signed at the special conference at Mexico City in 1945.

These developments are reflected in the organizations created in the economic and social fields. The Pan American Union itself was created, as previously indicated, for the sole purpose of compiling and distributing information and statistics on commercial matters. The fifth conference in 1923 requested the Governing Board to designate permanent commissions for the development of economic and commercial relations, for the study of all matters relating to the international organization of labor in the Americas, and for the study of problems of public health. These commissions were established but were relatively inactive since the Governing Board usually created *ad hoc* committees to study and formulate recommendations on these matters as they came before the Union. The Pan American Union, moreover, gradually added divisions to its secretariat on foreign trade, economic cooperation, statistics, travel, labor and social matters, and agricultural cooperation.

The specialized organizations in the social field are the Pan American Sanitary Bureau, established in 1902; the American International Institute for the Protection of Childhood, which began in 1927; the Inter-American Commission of Women, created in 1928; and the Inter-American Committee of Social Security, established in 1942. In economic matters an organization known as the Inter-American High Commission was estab-

lished in 1915 to study the economic problems created by World War I, but disappeared in the early 1930's. With the advent of World War II certain emergency and permanent agencies were created. Chief of these was the Inter-American Financial and Economic Advisory Committee. This has become the Economic and Social Council, which, as an organ of the Governing Board of the Pan American Union, will function as a permanent over-all body for economic and social cooperation. Another wartime agency, the Inter-American Development Committee, will probably be absorbed by the Council. The Inter-American Institute of Agricultural Sciences was also established during the war as a permanent agency, with a comprehensive technical program of research and education in its important field.

Under the draft organic pact to be considered at Bogotá, the Council will "promote the economic and social well-being of the American nations through effective cooperation among them for the better utilization of their natural resources, their agricultural and industrial development and the elevation of the standards of living of the peoples".

The Council has in fact begun to exercise these responsibilities. By request of the special conference for the maintenance of peace and security held in Rio de Janeiro, it is drafting the basic economic agreement to be considered at Bogotá. This draft will establish the principles which will guide inter-American economic cooperation. Under the terms of the resolution of Rio de Janeiro, an economic conference will be held the latter part of 1948 to consider specific methods by which these principles may be given effect through individual and collective action by the governments.

An important question at Bogotá will concern the respective roles of private investment and intergovernmental financial assistance in the development of the natural resources and the progressive industrialization of the countries of Latin America. Another related problem will concern the broad objective of facilitating international commerce. This will entail agreement on principles by which trade discrimination can be eliminated and trade barriers reduced.⁸

The most important question in the social field for the Bogotá conference will be the Declaration on the Rights and Duties of Man. It will also consider a number of other questions, such as im-

provement of public health, social security and insurance, and a charter of social guaranties.

(b) CULTURAL

The only direct concern expressed by the First Conference with cultural cooperation was the recommendation for the establishment of the Latin American library, previously mentioned. From this almost total neglect, interest in this subject progressed steadily. The Buenos Aires conference of 1936, which was a special conference for the maintenance of peace, agreed on a large number of resolutions on the subject and five of the eleven treaties which it concluded dealt with cultural cooperation. At the last general conference at Lima in 1938, on the eve of the war, almost a third of the 112 resolutions dealt with cultural matters. The same conference also included cultural exchange among the fundamental principles of the System, considering it basic to the creation of mutual understanding and of conditions necessary to peaceful relations among nations.

As in the case of economic cooperation, the main stress at first was on the removal of restrictions and obstacles to interchange. This explains the concern with copyright protection, which has been on the agenda of all the general conferences since 1902. Although preoccupation with the removal of restrictions to interchange has continued, a growing interest has developed in the promotion of exchange of skills or "know-how," students, teachers, and professional and scientific personnel in all fields.⁹

The chief means by which the general policies agreed upon at the general conferences have been carried into effect have been the Pan American Scientific Congresses, of which the first was held in 1915 and the eighth in 1940; the Division of Intellectual Cooperation of the Pan American Union, which has effectively functioned as the central, permanent body in this field; and the Pan American Institute of Geography and History, created in 1929 as an organ of cooperation between geographic and historical societies. Moreover, in

⁸ For an address by Assistant Secretary Armour on the economic aspects of the Bogotá conference, see *BULLETIN* of Dec. 21, 1947, p. 1214.

⁹ See *Cooperation in the Americas*, Report of the Interdepartmental Committee on Scientific and Cultural Cooperation, July 1946-June 1947, Department of State publication 2971.

1939 and 1940, the first and second Inter-American Conferences of National Committees of Intellectual Cooperation of the League of Nations were held in Chile and Cuba under the auspices of the host country in each instance and the Paris Institute of Intellectual Cooperation. By this means a link was established in these endeavors with the work of the League of Nations in the same field.

Chief interest at Bogotá in cultural matters will relate to the creation of the Inter-American Cultural Council, as an organ of the Governing Board of the Pan American Union. The draft organic pact provides that the Council is "to promote the development of teaching, education, and culture of the American peoples and to stimulate cooperation among them in these fields". The Council will meet every two years and will be, in effect, a type of specialized conference. The appropriate divisions of the Pan American Union will act as its permanent secretariat. There is also some support for the establishment of a permanent commission of the Council in the Pan American Union composed of persons designated by countries selected by the Governing Board of the Union.

Coordination of activities in this field will relate specifically to the relations of the Council with the Scientific Congresses and the Institute of Geography and History, on the one hand, and to UNESCO on the other. A contemplated agreement between the Institute and the Union should avoid the possibility of duplicating activities, so far as the former organization is concerned. A different type of problem will arise in connection with the relations of the Scientific Congresses to the Council. Two conferences in the same field would appear to be redundant. However, any plan to integrate or coordinate the two should take into account the fact that the former are conferences which include not only governments, but private organizations and individuals as well. The active and direct participation of private organizations and individuals should be maintained to avoid giving a purely official character to these activities.

Coordinated relations will be established between the activities of the Cultural Council and UNESCO. A directive to this effect is included in the draft organic pact, which requires the organs of the Governing Board to "establish close relations of cooperation with appropriate organs of the United Nations and with national and in-

ternational organizations which operate in their respective fields".

There perhaps could be nothing more revealing of the basic motivation of the Inter-American System than the stress placed on cultural exchange. This emphasis makes sense only in the context of the premise that culture is a true reflection of a people and that exchange of cultural values will result in mutual understanding and confidence. This is not a point of view which permits ulterior motives or hidden designs based on fear, hatred, or distrust.

(c) LEGAL

Whether there exists an American international law, or merely a Pan American school of international law which takes its place along with the "continental" and the "Anglo-Saxon" schools, is a question that has given rise to differences of opinion. This much is true, however; inter-American legal principles, whether they be considered policy, or law, or a mixture of both at this stage of their development, constitute, as already indicated, a new basis of international relations within a system of sovereign national states. The idea of a closer integration of international life does not conflict with the concepts of sovereignty and independence, but rather guarantees their continued existence within a more rational system of peace and order. The same ideas are incorporated in the Charter of the United Nations.

Inter-American cooperation in legal matters has been extraordinarily comprehensive in all fields previously described. The procedures utilized in this program have been extremely diverse. They include codification of public and private international law, unification of private law, simplification and uniformity of administrative procedures, comparative studies of law and legislation, and cooperation between public and private organizations in the legal field.

In the codification of public international law the objective has been to give greater coherence, unity, and clarity to the system of principles, rules, and practices which governs relations between states. However, as stated in a resolution of the Lima conference of 1938, the aim has been to codify the principles of international law "gradually and progressively". This has meant in practice not only the codification of existing or accepted rules but also the development of new

principles. In the codification of private international law, or, as it is known in the United States, conflict of laws, the object has been to introduce order, stability, and uniformity into the uncertainties which now exist with reference to cases of private rights and interests in which an international element is present, because there exists a conflict between different territorial jurisdictions or national or state systems of law. In the case of the unification of private law, the task has been in part to facilitate international interchange among private persons and interests, and in part to realize the same objective pursued by the codification of private international law. The method has been the preparation of uniform model laws for unilateral enactment by states or of international agreements incorporating uniform principles of civil and commercial law. To facilitate interchange, particularly in commercial and economic matters, an effort has been made to simplify and promote uniformity of administrative law and procedures, including sanitary regulations, uniformity of specifications, statistics, consular procedures, postal regulations, and custom procedures and port formalities. Finally, legal unification and uniformity have been advanced through the encouragements given to comparative law studies and investigations, which are an indispensable part of the entire program of legal cooperation.¹⁰

A number of organizations have been created for the foregoing purposes. (See chart I.) The most active of these in recent years has been the Inter-American Juridical Committee, created by the meetings of Foreign Ministers during the war. The Pan American Union itself exercises a variety of functions in the work of codification and unification. It is the permanent secretariat of the various entities of codification. Under special resolutions of various conferences, it has discharged duties of a research and technical character and undertaken specific tasks relative to problems of unification and simplification of private law and administrative procedures.

Under present plans for Bogotá, the multiplicity of agencies engaged in this work will be replaced by the Juridical Council, as an organ of the Governing Board of the Pan American Union. Under the terms of the draft organic pact the Council is "to serve as consultative body on juridical matters; to promote the codification of public interna-

tional law and of private international law; and, insofar as possible, to promote uniformity of legislation among the different American countries." It is to meet whenever convoked by the Governing Board of the Pan American Union.

Among the tenets of the codification movement in the Americas is the idea that the work should be the result of a gradual and progressive process involving the conclusion of special agreements or declarations in the various fields of international law; that the work should be coordinated with the labor in the same field undertaken in other parts of the world; that private agencies interested in this subject should be asked to cooperate; that the agencies of codification should not modify the principles of inter-American conventional law; and that, whenever the nature of the subject makes it possible and expedient, inter-American conventions should be generalized by inviting the adherence of non-American states.

There are profound implications for both national and international law in the present period of unrest and upheaval in the world. New forces, new political, social, and economic ideas, are pressing against established legal principles and concepts. Any activity of codification and unification in the international sphere, as in the national, must necessarily take this situation into consideration. In the Americas it is recognized that law cannot remain static, but the point of departure is that the change in the law must come about by agreement and not through unilateral action.

Relations With the United Nations

Support of the United Nations is a cornerstone of the foreign policy of the United States. Support of the Inter-American System is likewise a fundamental principle of American foreign policy. There would be contradiction in these two objectives if the regional system pursued purposes or rested on principles incompatible with the world system, or if it in fact tended to qualify support of the latter.

The objective of peace and international cooperation through the application of principles and purposes such as those incorporated in the United Nations Charter is not novel to the members of the Inter-American System. In their own experi-

¹⁰ For a more detailed treatment of this subject, see William Sanders, "The Pan American Program for Juridical Unity", the *Inter-American Quarterly*, April 1940.

ence of cooperative endeavor through the last half century they have reason to attach validity to and to recognize the practical effectiveness of such principles and purposes. It is therefore understandable that the American states see in the Inter-American System not only a means by which their traditional close ties of friendly cooperation can be strengthened but also a constructive factor in the world effort through the United Nations to maintain peace and promote human welfare.

The recently signed Rio treaty is a concrete example of the position of the American republics on the vital problem of the relations between the System and the United Nations in security matters. In this area, where there are concrete signposts and directives in the articles on regional arrangements of the Charter of the United Nations, every effort was made to insure the closest possible legal and functional relation between the regional security treaty and the world system. As indicated previously, this was done by specific and general linking of the principles, purposes, and obligations of the treaty to those of the Charter. This regional arrangement did not in any manner localize or regionalize the responsibility for world peace assumed by the parties to the treaty under the Charter of the United Nations.

In the nonsecurity field, the San Francisco conference refrained from providing for regional arrangements, on the ground that such a reference was unnecessary. This decision did not of course imply that regional cooperation in economic and social matters was considered undesirable. In fact, among the chief proponents of the strongest possible role for the Economic and Social Council were members of the Inter-American System, who would have opposed any such interpretation. The decision at San Francisco, however, did not imply indifference. Though the Charter gives no specific guidance on this important question, it is clear from the discussions at San Francisco and from the Charter itself that no dualism exists between security and nonsecurity matters in the basic world approach to peace through the United Nations. The interdependence of the two factors is clearly recognized, as is the consequent corollary that only through the interaction of the two can the objectives of the United Nations, of promoting human welfare and maintaining peace, be achieved.

Implicit in the Charter premise that peace is in-

divisible is the companion premise of the economic and social foundation of collective security. This means that regional arrangements in security as well as in economic and social matters cannot be substituted for the world system. This conclusion is moreover supported by the facts of past experience and by the evidence of the world today.

In the report to the President submitted by the United States Delegation to the San Francisco conference the foregoing view is stated as follows:

"The battle of peace has to be fought on two fronts. The first is the security front where victory spells freedom from fear. The second is the economic and social front where victory means freedom from want. Only victory on both fronts can assure the world of an enduring peace."

More recently President Truman expressed the same view when he said that one of the requisites of peace "is that nations shall devise their economic and financial policies to support a world economy rather than separate nationalistic economies". The same underlying thesis was stated by Roosevelt in 1933 when he said that "no nation or group of nations can enjoy prosperity and plenty when a large part of the world is in economic distress". The European Recovery Program bespeaks the same convictions. In Secretary Marshall's words: "The foundation of political vitality is economic recovery. Durable peace requires the restoration of western European vitality".

The foregoing is not opposed, of course, to the view that regional cooperation in economic and social matters can supplement and complement rather than contradict the overriding objective of the United Nations to establish a secure world foundation for peace, if inspired by the same principles and purposes.

Developments since San Francisco substantiate this. Three main kinds of regional machinery in the nonsecurity field are being used. The first is the regional organization of the United Nations itself, created for a special or emergency purpose and not necessarily designed to be permanent. The United Nations economic commissions for Europe and for the Far East and Asia illustrate this trend. A special committee of the United Nations Economic and Social Council appointed to consider the desirability and feasibility of such a commission for Latin America is consulting with the Pan American Union on the question. A proposal for a similar commission for the Middle East

nas also been made. The second type of regional organization is represented by provisions in the charters of several specialized agencies of the United Nations for regional offices or regional activities.

The third type of regional arrangement in the nonsecurity field is exemplified by the specialized organizations of the Inter-American System and by the organs of the Governing Board of the Pan American Union in the economic, social, cultural, and legal fields. It is in connection with this type of arrangement, independent of the United Nations and its specialized agencies, that care must be taken to insure that in serving the special regional needs of their members, there shall be no duplication of effort and no inconsistency with the ultimate objective of peace and human welfare throughout the world. This concern has been expressed in a number of ways.

The United Nations Economic and Social Council from the beginning has planned to establish relations with regional organizations, which it groups with "other intergovernmental agencies", to distinguish them from the United Nations specialized agencies referred to in articles 57 and 63 of the Charter. Agreements for bringing such agencies into relation with the United Nations Economic and Social Council are contemplated. Moreover, many of the United Nations specialized agencies have themselves made provision for similar arrangements for cooperative relations with independent regional organizations. In fact, for special and perhaps unusual technical reasons, the constitution of the World Health Organization contemplates the integration of existing regional agencies in its field. The absorption of the Paris Health Office has already been consummated, and under present plans activities of the Pan American Sanitary Bureau will be integrated with those of the World Health Organization under an agreement in which the former will become a "two-hat" agency, serving as a regional office of the latter without losing its identity as an inter-American specialized organization.

Similarly, the draft organic pact for the Inter-American System to be considered at Bogotá states that it shall be one of the basic purposes of the System "to assume the regional obligations which are incumbent upon it (the System) under the Charter of the United Nations". It also stipulates in various articles that the organizations of

the System shall maintain cooperation with the United Nations and appropriate international organizations. It imposes on the Governing Board the duty to "promote and facilitate collaboration between the Pan American Union and the United Nations, as well as between the specialized inter-American organizations and similar international organizations". It specifically provides in connection with the inter-American specialized organizations that this cooperation shall be for the purpose of effectively coordinating and harmonizing their activities with those of their world counterparts.

The manner in which these provisions are given effect will determine the extent to which inter-American economic, social, and cultural activities will in fact "supplement and complement rather than contradict" those of the United Nations and its specialized agencies. The intent to avoid overlapping and duplication and to do nothing which will detract from the prestige and effectiveness of the world approach to the interrelated problem of human welfare and maintenance of peace will not be enough. This intention must and surely will be given practical expression in the development of formal and informal relations between the component elements of the Inter-American System and their global counterparts. The responsibility for avoiding duplication rests both on world agencies and regional organizations—it must be a two-way concern. Unquestionably increasingly effective relations must be established on the basis of experience and in the light of needs. This will no doubt entail variations in degree and kind of relationship, depending on the organizations and problems involved. (See chart III.)

In the development of these relations in the nonsecurity field, the following general considerations will apply:

1. The indivisibility of peace and its indispensable economic and social foundation mean that regional arrangements cannot take the place of the United Nations in promoting human welfare and enduring peace.

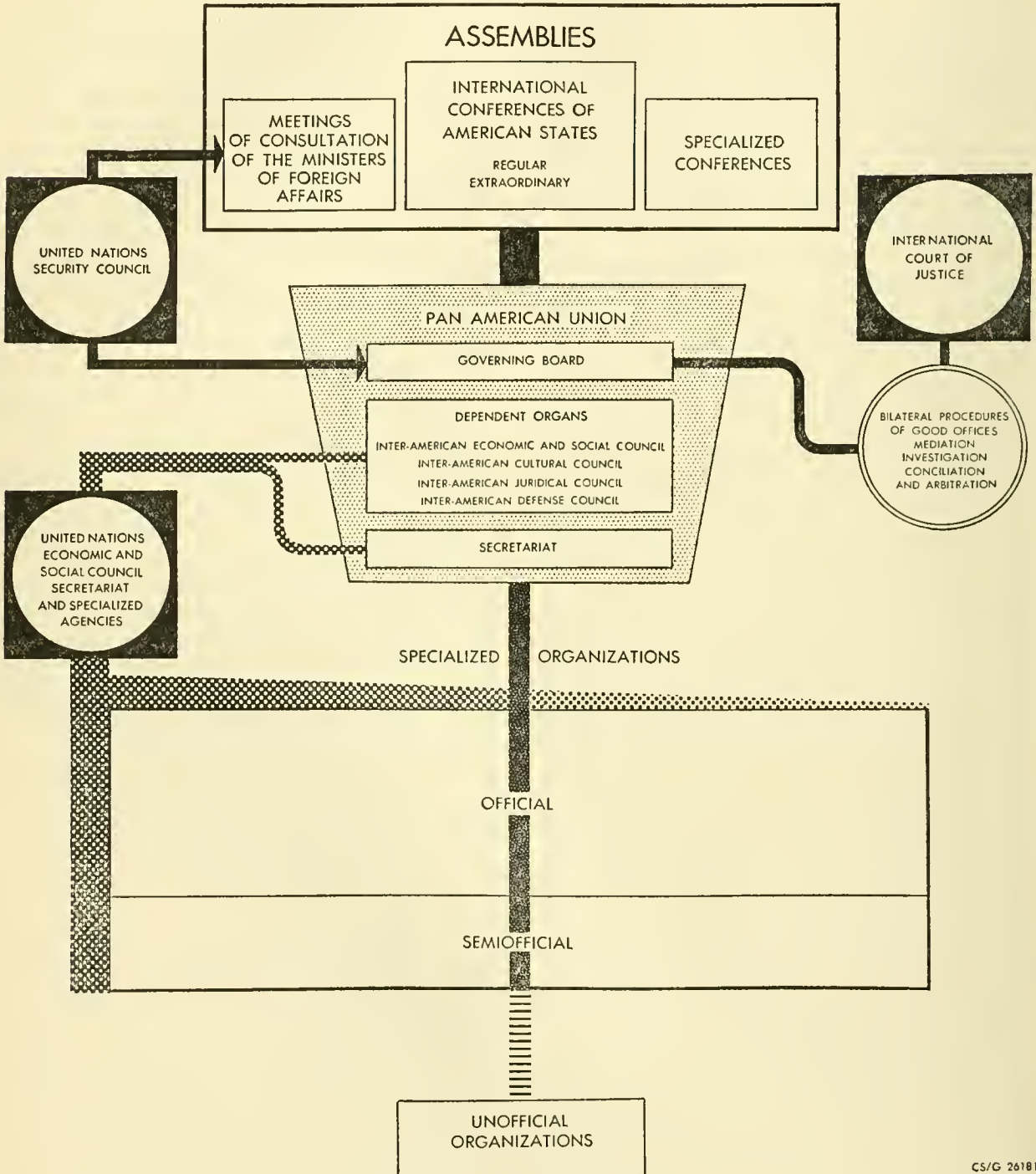
2. Regional arrangements for dealing with economic and social matters are appropriate for regional action provided they are compatible with and recognize the foregoing principle.

3. The maintenance of consistency between these two principles requires continuing good faith, constant vigilance, and the application of working

CHART III

INTER-AMERICAN SYSTEM AND THE UNITED NATIONS

(TO BE CONSIDERED AT BOGOTA CONFERENCE, 1948)



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criteria which will preserve the necessary relationship between the two in practice.

4. Such criteria include the following:

(a) The interdependence of the world makes regional isolationism as dangerous as national isolationism;

(b) Obligations assumed by members of regional arrangements must be consistent with those they have assumed in the Charter of the United Nations (article 103);

(c) Regional arrangements consistent with the principles and purposes of the United Nations may helpfully supplement and complement world organization when not used or permitted to detract from the prestige and effectiveness of the United Nations and related agencies;

(d) Duplication in organization and activities, by increasing cost and inviting conflict, will detract from the prestige and effectiveness of both world and regional organization;

(e) Agreement on principles of relationship and the establishment of close working and, where necessary, of integrated relations in the light of experience and needs, including constant reciprocal exchange of information between world and regional organizations in the same field, will help in avoiding duplication and conflict;

(f) Members of regional arrangements can, through collective consideration and action under such arrangements, usefully supplement, complement, and coordinate individual action to give effect to recommendations of the United Nations and related agencies dealing with matters susceptible of such regional treatment;

(g) Regional organization can be useful in the preparation of studies and recommendations on technical matters of a regional character being considered by the United Nations and related agencies.

Summary of Principal Problems at the Bogotá Conference

One of the chief characteristics of the proposed revision of the Inter-American System is its comparatively high degree of organizational and functional centralization. This trend is focused in the Pan American Union, which emerges in fact as well as in theory the permanent, central organ of the entire System with broad political and non-political responsibilities.

Under the Rio treaty the Union has acquired

extensive powers, as a provisional organ of consultation, for the maintenance of peace and security, which gives the System for the first time a permanent or continuing political agency. Moreover, it is quite likely that at Bogotá the Union will be given a similar role in the field of pacific settlement. In addition, it is presently contemplated that the Union will be given a broad grant of power along the lines of the formula in resolution IX of the Mexico City conference, under which it would deal, within the limitations set forth in the organic pact and other inter-American treaties, with any matter affecting the functioning or the purposes of the Inter-American System.

However, it is not unlikely that the question of the exercise of political functions by the Pan American Union, apparently settled by the decision of the Mexico City conference and the provisions incorporated in the treaty at Rio, will be brought up at Bogotá in terms of a proposal by one of the governments that all political and security responsibilities be lodged in a "council of solidarity" of the System located elsewhere than in Washington.

In the nonpolitical field the Pan American Union will also have greatly increased authority and responsibility. Through the addition of the new organs of the Governing Board, the Union will have broad responsibilities for implementing conference decisions and for taking action on its own initiative within the terms of the organic pact in the economic, social, cultural, and legal fields. Also its Defense Council will act in an advisory capacity to the governments and to the organ of consultation on military cooperation for the defense of the Western Hemisphere. Still unresolved, however, is an issue raised by one of the governments who holds the view that the Defense Council should not be an organ of the Governing Board of the Pan American Union but an autonomous specialized organization. Should this view prevail, it would constitute a significant departure from the trend toward centralization.

The relations of the Union with the other two principal organs of the System, the assemblies or conferences and the specialized organizations, will be drawn tighter. To an even greater extent than in the past it will serve as the permanent secretariat of the general conferences and meetings of Foreign Ministers and, as indicated, will have an expanded

role in proposing means by which their conclusions may be applied. This should avoid the need for the creation of new permanent or *ad hoc* agencies. Within the same tenor of ideas the Pan American Union will probably be given a greater degree of over-all supervision over the specialized conferences, formerly the technical conferences. Should this tendency be crystallized at Bogotá, it will be important that the Union not become a bottleneck inhibiting desirable activities in the specialized fields. The objective is a degree of over-all supervision which will prevent duplication of effort and unnecessary activity without curtailment of technical autonomy.

The same objective will hold with respect to the specialized organizations. The Pan American Union apparently will have closer relations with them than in the past and a degree of over-all supervision, the details of which will be worked out in agreements between the Union and such agencies. The objective of this supervision will be avoidance of overlapping activities either in the form of duplicating or competing organizations or functions.

The basic motivation for the trend toward centralization has been the desire to create a more effective and efficient System. As always in an endeavor of this kind, a good idea can be run into the ground. With this in mind the architects of the plans for reorganization have stressed as one way in which rigidity may be avoided the principle already alluded to of technical autonomy for the new organs of the Board and for the specialized conferences and organizations. In this same connection, but with wider implications applicable to the entire problem of reorganization at Bogotá, there has been an ever-present concern lest the flexibility which has been so constructive a factor in the development of the System to date be completely lost.

Bogotá should allow for elbow room in which the System can operate freely and grow in the light of experience and needs. This will be particularly important since it is planned to formalize in a treaty at Bogotá the organs, principles, and purposes of the System, which will mean that modifications cannot subsequently be introduced except through an international instrument of the same category. The wisest formula, therefore, will be one which achieves a desirable degree of centralization and integration but leaves an open door for

initiative to introduce innovations and modifications, to create and re-create. It is said that perfection is the enemy of the good. Past experience in the System would seem to indicate that this may be wise counsel to follow at the conference.

In addition to the foregoing general problem related to the organizational aspects of the Bogotá agenda, stress of interest will of course focus on the subject of economic cooperation. As indicated, the basic question will be between the view that the economic development of Latin America is a long-range problem in which private enterprise should play an important role and the view that underdeveloped economic areas, such as Latin America, require the same urgent and extraordinary governmental assistance as is involved in the approach to the problem of the recovery of war-devastated areas of high economic advancement.

There is every reason to expect, notwithstanding this fundamental issue on method and timing, that the conference will reach important conclusions calling for an intensified and strengthened program of economic cooperation among the American republics. Among the important questions which the conference may consider are: ways and means by which economic development and industrialization can be advanced as rapidly as possible; the treatment to be accorded foreign capital and skills, perhaps involving a restatement of rights and obligations entailed in international investments; improvement of the standard of living in the American republics, including programs in the fields of health, sanitation, agriculture, and education; undertakings to reduce trade barriers to mutual advantage and to place trade on a non-discriminatory and multilateral basis, generally the principles and practices in the field covered by the Iro charter; the availability of materials in short supply, particularly in capital goods such as equipment, machinery, tools, and engineering services, all of which are necessary for development and industrialization purposes; balance-of-payment problems which arise in connection with the foregoing needs; and the contributions which the Latin American republics can make in connection with the economic recovery of Europe. In this last connection, President Truman stated the following in his message to Congress on the European Recovery Program:

“I wish to make especially clear that our con-

centration on the task in Western Europe at this time will not lessen our long-established interest in economic cooperation with our neighbors in the Western Hemisphere. We are first of all a member of an American community of nations, in which cooperative action, similar to that which the European nations are now undertaking, is required to increase production, to promote financial stability, and to remove barriers to trade. Fortunately we in the Americas are further advanced along this road, but we must not overlook any opportunity to make additional progress. The European recovery program will require procurement of supplies in many nations of this hemisphere. This will act as a stimulant to production and business activity and promote the re-establishment of world trade upon which the prosperity of all of us depends."

In the social chapter, attention will probably concentrate on the Declaration of the Rights and Duties of Man. Under resolution IX of the Mexico City conference of 1945, this declaration, along with the one on the Rights and Duties of States, is a companion document to the organic pact. Other matters for consideration in this chapter may include public hygiene, organization of labor, social security and insurance, inter-American charter of social guaranties (in reality a labor code), and the inter-American educational charter referred to in resolution XIII of the Rio de Janeiro conference last August. Agreement on a realistic and practical program of technical cooperation in economic, social, scientific, and educational matters unquestionably will receive preferential attention, both under this chapter and the one on economic cooperation.

In the chapter on political and juridical problems, the Declaration on the Rights and Duties of States is important. Many of its provisions may be incorporated in the organic pact in the form of principles or purposes of the Inter-American System. In this event it may not be necessary to have a separate document on the subject. Its articles on nonintervention and proposals for the inclusion of an article on recognition of governments will evoke special interest. The latter question, moreover, is specifically on the agenda of the conference under the terms of a resolution of the Mexico City conference. In addition to the latter question, this chapter contains an item on European colonies in the Western Hemisphere and also one on the defense of democracy in Amer-

ica. The item on European colonies is on the agenda in terms of a proposal by the Guatemalan Government that the American Governments declare that the continued existence of European colonies in America constitutes a danger to hemispheric security. The topic relative to defense of democracy in the Americas concerns the proposal by Guatemala that the American republics agree not to enter into diplomatic relations with anti-democratic regimes.

Although listed under the first chapter, the proposed treaty on pacific settlement properly belongs in the chapter on political and juridical problems and will probably be considered by the conference committee on this chapter or by a special committee. As indicated previously, the chief questions here will concern the problem of compulsory arbitration, the relation of this procedure to juridical settlement under the International Court of Justice, and the role of inter-American consultation for pacific settlement purposes.

On the vital question of the relations of the System and its component organs to the United Nations and world specialized agencies, the conference will in all probability not attempt to supply in detail the answer to what these relations should be. If the articles already alluded to of the draft organic pact are accepted, the problem of working out satisfactory relationships will be a post-Bogotá problem that will be processed in the light of those articles and of experience and needs in each case.

Conclusion

The empiricism which characterized the beginnings of the System in 1890 continues, but the ideals and larger purposes which were then seen as "through a glass darkly" have given dynamic meaning and direction to the Pan American movement. They have increasingly become the warp and the woof of inter-American relations.

It is perhaps difficult for those brought up in the tradition which regards war as inevitable to believe in the sincerity with which the peoples of the New World hold to the cardinal principles and purposes of the Inter-American System. Measured against the stark background of rules of the game based upon conflict and domination and balance of power, these principles and purposes appear naive and unrealistic. They would indeed be so in the absence of a common determination that

they shall in fact control the relations of the members of the System. They have produced results because, beneath the rhetoric and exaltation which seems always to accompany these endeavors, there has been a hard-headed conviction that these principles and purposes would best advance the enlightened self-interest of each American nation.

This approach to international affairs is the very substance of the search for peace and human welfare through the United Nations. Impatience with the slow progress being made through these methods in the wider arena of the world, where the obstacles loom almost insurmountable from today's perspective, could lead to a pessimistic denial of the universal validity of such methods.

The major conclusions to be drawn from the experience in inter-American relations described in this article may be useful in assessing the advantages and limitations of such methods in overcoming these apparently greater obstacles. These conclusions are that machinery and procedures are

secondary to the willingness and decision to use them; that the "know-how" of working out difficult and sometimes apparently insuperable problems can be acquired, but not overnight; that constructive international cooperation is the product of many years of patient effort, of a spirit of give and take, and of unwavering determination to break with the defeatism of the past which holds that man is doomed by his nature and environment to perpetual strife.

A belief in the final triumph of the moral order is a helpful handmaiden of the policies which seek the objectives of the United Nations and the Inter-American System. This belief must be based, however, on something more than wishful thinking. It must take into account that peace, like liberty, can be achieved and maintained only through the labor and struggles and eternal vigilance of many generations. Man has the ingenuity and the resourcefulness to create peace, provided he so wills it and is not dismayed.

ERP To Aid in Industrial Development in Latin America

[Released to the press January 30]

The American Delegate before the Economic and Social Council of the Pan American Union made the following statement on January 30

European recovery requires fundamentally an increase in production levels to a point where basic economic needs can be met and still leave a surplus for export to cover essential imports. Without European recovery there can be no general world prosperity. The restoration of Europe will be of particular assistance to Latin America where foreign trade comprises a relatively large proportion of the national income and where strong European markets for exports are essential to continuing prosperity. The resumption of European exports particularly in the field of capital equipment will also facilitate industrial development in Latin America by easing present shortages of these items which will continue as long as the United States is the only important source.

In the first year or two of ERP, before increases in European production make possible a considerable expansion of exports, available supplies of the tools of production will continue to be inadequate to meet in full the requirements of all countries. The difficult problem of determining the most effective distribution of these short supplies must be faced. The objectives of European recovery and of Latin American development often will coincide. Goods and equipment which will make possible a prompt and efficient increase in Latin American production and export of items essential to European recovery should be supplied to the greatest extent possible. It is essential, moreover, that such export controls as are required should be administered in an equitable manner with a view to maintaining, in so far as possible, the continuity of industrial development in the other American Republics.

Removal of Industrial Plants From Germany by Reparation

LETTER TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
FROM UNDER SECRETARY LOVETT

January 24, 1948

MY DEAR MR. SPEAKER:

By his letter of December 19, 1947, the Honorable John Andrews, Clerk of the House of Representatives, forwarded an attested copy of House Resolution 365 of the Eightieth Congress, adopted by the House of Representatives on December 18, 1947. The Resolution requests the Secretaries of State and of Defense to transmit to the House of Representatives at the earliest practical moment certain information, specified in eleven questions set out in the text of the Resolution, regarding the removal of industrial plants from Germany by way of reparation.

The Department of State, for itself and the Department of Defense, herewith respectfully submits a basic reply to the questions asked by the House of Representatives. Every effort has been made to obtain to the fullest extent and as rapidly as possible the information requested by House Resolution 365. Because of the urgency of putting the requested information before the House, the submission has not been cleared with the Bureau of the Budget, to which, however, copies are being sent.

It will be observed that much of the detailed information requested is lacking regarding the British, French and Soviet Zones of Occupation in Germany. Through both diplomatic channels and through the Office of Military Government (US), the British and French Governments have

been asked to supply the additional information needed. These Governments have not been able to comply quickly with this request, because their occupation authorities have not maintained such data in the form in which it is desired by the House of Representatives. The representatives of these Governments have given assurances, however, that they will make every effort to obtain the information which is presently lacking. This additional information and the checking of the information herewith submitted will probably require further communications to the House of Representatives from the Department of State and the Department of Defense.

No official information on reparation removals is available for the Soviet Zone of Occupation in Germany, nor has there been in response to the Resolution a request to the Government of the Soviet Union for such information. Since the Soviet Government has repeatedly, the most recently at the meeting of the Council of Foreign Ministers at London in December, 1947, refused to comply with requests of this nature, it was not considered that a reiteration would be effective.

Sincerely yours,

ROBERT A. LOVETT
Under Secretary

The Honorable
JOSEPH W. MARTIN, JR.,
Speaker of the House of Representatives.

INFORMATION REQUESTED BY HOUSE RESOLUTION 365, DECEMBER 18, 1947

QUESTION 1. How many of the six hundred and eighty-two plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the British Zone? How many from the Russian Zone? How many from the French Zone?

ANSWER

The list of 682 plants and parts of plants, announced on October 16, 1947, as representing capacity surplus to the needs of the German economy, applied only to the Bizonal Area of Germany. Of these, 186 are in the U.S. Zone and 496 in the British Zone. The French on October 10,

1947, announced a provisional list of 176 surplus plants in their Zone. No equivalent list is available for the Soviet Zone. Copies of the Bizonal and French lists are attached. (Attachments 1 and 2.¹)

Forty plants have been completely dismantled and removed from the American Zone, and the same number from the British Zone. In addition other plants have been dismantled and partially removed. This information is given in answer to question 3 below. No information is presently available for either the French or Soviet Zones.

QUESTION 2. What was the character and capacity

¹ Attachments not printed.

of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall Plan?

ANSWER

Character and Capacity of the Removed Plants

Of the 40 plants removed from the American Zone, 32 were war plants, i.e., plants designed exclusively for the manufacture of war materials. Only general purpose equipment from them, readily convertible to civilian production, was shipped out as reparation. Equipment usable only for the manufacture of war materials was destroyed.

No information on the capacity output of war materials of these war plants is available, nor is it believed that such information would be relevant to the purpose of House Resolution 365. Since the plants were not designed for civilian use, and since important elements of them were destroyed prior to shipment of the general purpose equipment as reparation, no information is available concerning their capacity for production of civilian goods.

Of the 8 non-war plants already removed from the American Zone, 3 produced machinery; 2 were power plants; and there were 1 each in the fields of optical goods, diesel engine production, and shipbuilding. All of these 8 non-war plants were on the so-called "advance list" of plants to be removed as reparation. This list was drawn up in 1945, prior to the preparation of the original Level of Industry Plan of March, 1946, in order to permit an immediate start on the reparation program established by the Potsdam Agreement of August 2, 1945. Capacities of the non-war plants removed from the U.S. Zone are shown in Table "A" attached.

No detailed information on the types and capacities of plants already removed from Zones other than the American has as yet been received. It is believed, however, that removals from the British Zone, as from the American, have consisted chiefly of war plants. Since it is known that only a very small tonnage of material has been shipped from the French Zone, it is believed that but few plants have been completely removed.

Possible Contribution of Removed Plants to German and European Reconstruction

While full information is not available, it is known that a large proportion of the plants and equipment already removed from Germany are now in operation in the recipient countries, and are contributing to their reconstruction. Of particular importance has been the receipt from Germany of critical types of machines, not procurable elsewhere within less than two or three years, which have served to break industrial bottlenecks,

and have thus resulted in increases in output throughout an entire segment of industry.

French De la Haye automobiles shown in 1947, for example, were equipped with crankshafts produced with German reparation equipment, procurement of which through commercial channels would have required at least two years. German equipment has permitted a significant increase in output of heavy steel castings for shipbuilding in the United Kingdom, and has helped to break bottlenecks throughout the entire British steel industry.

The Netherlands Government has estimated that one group of 320 machines from Germany will result in increased industrial production during 1948 worth about \$400,000; and that optical machinery from the German Hensoldt plant, used to replace equipment looted by the Germans, will afford the basis for an increase in production of about \$100,000 during 1948. A number of similar examples could be cited.

Even where the equipment secured through reparation could have been purchased through commercial channels within a reasonable period, such purchase would have required hard currency. In the case of France, for example, the value of industrial equipment obtained as reparation up to November 1, 1947, represented the following percentages of the official import plan from the date of liberation until that date: electrical equipment, 9 percent; mechanical equipment, 43 percent; chemical equipment, 500 percent. The United Kingdom has reported that reparation items will constitute some 20 percent of a total program of chemical plant construction designed to manufacture products presently purchased from the Western Hemisphere at an annual cost of \$2.5 million. Savings in foreign exchange attributable to the reparation program has already been great, and continuance of the program could be expected to result in large additional savings.

In general, the plants and equipment removed from Germany could not have been fully utilized in Germany if retained because of shortages of fuel, manpower and raw materials. They were removed from industries enormously expanded to meet the needs of the German war machine, existing capacity in which is greater than required under any reasonable peacetime economy. Their retention, therefore, would have resulted in no increase in German production or exports, and the capacity which they represent would merely have lain idle and deteriorated.

A few of the plants removed, which before the war were world-famous exporters in their special fields, such as the Hahn-Tessky machine-tool plant, might have made a special contribution to the present German export program. This contribution, however, would have to be weighed against the contribution which these plants are

now making to the reconstruction of the economies of Germany's victims.

QUESTION 3. What is the character and capacity of those remaining to be dismantled or removed by zones?

ANSWER

Plants remaining to be dismantled or removed fall into the following categories:

- a) Plants already 100 percent dismantled, actual shipment of which to recipient countries is now in process or about to begin.
- b) Plants on which dismantling is now in process; and
- c) Plants on which dismantling has not yet begun.

The following summary data are available for the American and British Zones:

	U.S. Zone	U.K. Zone	Total
Number plants in Category A	61	30	91
Number plants in Category B	46	123	169
Number plants in Category C	39	303	342
Sub-total	146	456	602
Number plants removed	40	40	80
Total	186	496	682

Thus, in the Bizonal Area, there are 342 plants out of the total list of 682 on which dismantling has not been started, of which only 39 are in the U.S. Zone. Of the remaining 340 plants, 80 have been completely removed, an additional 91 have been completely dismantled, and dismantling is in process on 169.

Similar information for the French Zone has been requested but not yet received. The general character of each individual plant listed for reparation from the three Western Zones is indicated on the attached lists. In the case of the British and French Zones, the list does not distinguish plants already removed from those to be removed; this information has been requested and will be submitted later. The general character of all plants listed for reparation, regardless of whether or not removed, from the three Western Zones may be summarized as follows:

Number of Plants Listed for Reparation

	U.S. Zone	U.K. Zone	French Zone	Total
War plants	104	198	33	335
Ferrous metals	5	87	2	94
Non-ferrous metals	5	6	10	21
Chemicals	18	24	26	68
Mech. Engineering	49	175	104	322
Elec. Engineering	---	4	---	---
Shipbuilding	1	2	---	3
Power plants	4	---	---	4
Cement plants	---	---	1	1
Total	186	496	176	868

The capacity of the plants listed for reparation from the Bizonal Area, other than war plants, is summarized by types of industry in a table included in the attached list of "Plants and Part Plants Listed for Reparations from the U.S. and U.K. Zones." No capacity data have been received from the French Zone.

Detailed capacity data for individual plants are presently available only for the U.S. Zone. Figures for the capacity of each plant, except war plants, yet to be removed from the U.S. Zone are shown in Table "B" attached.

QUESTION 4. How many of those remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers?

ANSWER

All of the plants and equipment remaining to be removed are either capable of peacetime production in their present condition, or can be converted thereto. Such use or conversion is, of course, a basic objective of the reparation program, which envisages the transfer of German plants and equipment useful for civilian production from Germany to the countries whose industries Germany looted, damaged and destroyed. Equipment useful only for military production is destroyed in Germany.

As has been pointed out above, a number of transfers have already taken place, and former German plants and equipment are now producing civilian products in the recipient countries.

On the particular question of nitrogen explosive plants, all plants in the Bizonal Area capable of making synthetic nitrogen for fertilizers are being utilized for that purpose, and no such plant is on the Bizonal reparation list.

QUESTION 5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

ANSWER

As was noted in the Revised Plan for Level of Industry in the US/UK Zones of Germany, published on August 29, 1947, a copy of which is attached (Attachment 5), "the over-riding requirements" in developing the Plan were "to provide the level of industry necessary to make the area self-supporting". Full allowance was made for the necessity of retaining in Germany sufficient industrial capacity to permit development of an export trade sufficient to balance essential imports, not only of food but of raw materials and other commodities. General Clay has said, in a statement the full text of which is attached, that:

“ . . . it is doubtful if the industrial capacity left in Germany (under the Revised Plan) can be put fully to use in less than 5 years, and it would be indeed many years before the full capacity, including that made available for reparations, could be put to use. . . . It is my sincere conviction that . . . we have left to Western Germany all the industrial capacity it can use”. (Attachment 6.²)

The Revised Plan, therefore, leaves in the Bizonal Area sufficient industrial capacity to pay for needed imports. In view, however, of shortages of fuel, raw materials, manpower and other factors of production, it will require the utmost efforts of the Germans to achieve by 1952 full utilization of even this capacity.

The list of plants remaining to be dismantled or removed was drawn up in accordance with the Revised Plan, and their capacity as a whole is, therefore, surplus to that required by Germany to pay for needed imports. Many individual plants on the reparation list, other than war plants, are, of course, similar or identical in character to plants to be retained in Germany under the Revised Plan for the purpose of meeting German needs, whether through production for domestic use or through production for export. Thus a number of individual plants listed for reparation could, if retained in Germany and if given necessary supplies of coal, raw materials, etc., contribute to German domestic or export needs.

While this holds true for individual plants, however, it cannot be applied to all plants listed for reparation as a group. To retain and put into production any substantial number of the plants now listed for reparation would simply mean that other plants scheduled to be retained in Germany would fall idle, or be run far below capacity, because of shortages of the essential factors of production.

QUESTION 6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

ANSWER

As stated in answer to question 5, the Revised Plan for Level of Industry in the US/UK Zones of Germany was drawn up to provide for the retention in Germany of sufficient industrial capacity, including that required for exports, to permit self-support and the development of a reasonable standard of living. The difference between the retained capacity provided for under the Revised Level and the total capacity actually

existing in Germany represents the amount of capacity surplus to German needs.

After the Revised Level of Industry and total capacity actually existing had been determined, the next step was to select, industry by industry, individual plants up to the total amount of surplus capacity. It is apparent that, in this process of selection, no individual plant could be considered as any more “surplus” than any other individual plant. It was necessary to base the plant selection on more detailed criteria, confining the selection, of course, to industries having a substantial surplus capacity.

These criteria of selection were as follows:

a) *Ownership*: Other things being equal, plants were selected in the following order: (i) those owned by the German Government or by Nazi organizations; (ii) those owned by German or Axis nationals; and (iii) those in which nationals of Allied or neutral countries had an ownership interest.

b) *Effect of Removal on Local Conditions*: An attempt was made to select plants in such a way as to minimize the disruptive effect of their removal on the local community and labor supply. In general, for example, a plant which constituted the only source of employment in a given town was not selected for removal. Efforts were made to ensure the existence of alternative sources of potential employment for labor formerly employed in a plant selected for removal.

c) *Proximity to Raw Materials*: Every effort was made to retain in Germany those plants most economically located from the standpoint of transport and supplies of raw materials; and to select for removal those which were uneconomically located.

d) *Importance of Specific Products in Export Trades*: Where individual plants produced products more readily saleable as exports in world markets than the products manufactured by other plants in the same industry, this was generally considered grounds for the retention of such plants in Germany.

e) *Size of Plant*: In general, a large plant rather than several small ones of equivalent capacity was selected for removal. This was done in accordance with the policy of breaking down large concentrations of German industry, and in addition served to minimize economic dislocations.

Within each industry the actual selection of individual plants for removal as reparations was carried out, on the basis of the above criteria, by technical committees thoroughly conversant with the problems of the industries with which they were working. Full opportunity was given to the German economic authorities to examine the list and to suggest amendments and substitutes, and a number of their suggestions were in fact accepted.

² Not printed.

QUESTION 7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

ANSWER

Representatives of U.S. Military Government in Germany have stated unequivocally that no material and goods will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal, and that therefore there will be no dollar cost on this account. This follows from the fact that the Revised Level of Industry provides for the retention in Germany of ample industrial capacity for the achievement of self-support at a reasonable standard of living.

QUESTION 8. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta and Potsdam Agreements? If so, by whom, from what zone, and to whom have they been allocated?

ANSWER

The Yalta Agreement did not purport to fix the limits for reparation removals from Germany. The Potsdam Agreement laid down the general principle that sufficient industrial capacity should be left in Germany to enable Germany to be self-sufficient. As has been pointed out above, the Bizonal Level of Industry Plan follows this principle. No plants have been, or are planned to be, removed from the Bizonal Area other than those on the list drawn up in accordance with the plan.

Detailed information on industrial capacity in the French Zone is not presently available.

No official information concerning plants already removed or scheduled for removal from the Soviet Zone is available. It is considered probable, however, that industrial capacity in excess of that contemplated under the Potsdam Agreement has been removed, and it is known that equipment from industries not contemplated for removal under Potsdam have been taken out by the Soviet authorities.

QUESTION 9. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom and in what amounts?

ANSWER

No agricultural produce of any kind has been removed from the Bizonal Area of Germany to other countries. No official information is available concerning the French Zone, but any ship-

ments of foodstuffs that may have occurred are believed to have been negligible in quantity.

It is known that considerable quantities of foodstuffs have been, and are now being, removed from the Soviet Zone. No comprehensive data concerning such shipments are, however, available.

QUESTION 10. To what extent have harbor facilities and transportation equipment been removed from Germany and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

ANSWER

Railway Transport Equipment

Locomotives and freight cars must of necessity continually cross international boundaries in the ordinary course of operations, and, at any given time, substantial quantities of German rolling stock would be outside Germany and corresponding quantities of rolling stock of foreign ownership would be inside Germany. This situation prevailed at the end of the war.

Several countries which, as the Germany army was driven from their territories, found themselves in possession of large numbers of German locomotives and railway wagons have retained them; and have insisted that under the terms of existing international agreements they were entitled to do so. American and British military authorities in Germany have been attempting to negotiate the return of these cars to Germany, in exchange for the foreign rolling stock now held in the Bizonal Area. These negotiations have so far been only partially successful. No German railway rolling stock has been removed from the Bizonal Area since the end of the war, except such as has crossed the German borders in the course of normal operations.

The situation is further complicated by the severe shortage of railway repair facilities in the Bizonal Area, a shortage largely due to concentrated Allied bombing. Despite utmost efforts, it has been impossible to prevent deterioration in the German transport situation because of the inability to maintain and repair available rolling stock properly.

It is possible that imports of new rolling stock into the Bizonal Area will be necessary. The necessity for such imports, however, derives to a considerable degree from the shortage of repair facilities.

Ocean-Going Shipping

In accordance with the Potsdam decision made on grounds of military security, Germany has been prohibited from building or maintaining an ocean-going fleet. The entire German merchant fleet has, therefore, been distributed among Allied

nations as reparation by the Tripartite Merchant Marine Commission and the Inter-Allied Reparation Agency. The great majority of ships distributed are now in operation under Allied flags. The remainder are being repaired.

No replacement of these ships is contemplated in the proposals for European recovery.

Coastal Shipping

A proportion of the German coastal fleet, determined at the time to be in excess of German minimum needs, has been distributed among Allied nations as reparation. A re-examination of requirements has led to the conclusion that it may be necessary to replace some of this tonnage. No firm figures, however, are yet available.

Inland Water Transport

Inland water transport equipment is similar in character to rolling stock, in that it frequently crosses international boundaries in the course of normal operations. A number of foreign owned barges which have been removed from the Danubian Basin have been delivered from Germany not as reparations but under restitution procedures. Negotiations have been in progress for some time for the purpose of arranging exchange of certain other German inland waterway craft now held by liberated countries for foreign craft now held in Germany. No replacements of German craft are contemplated under the proposals for aid to European recovery.

Harbor Facilities

No major fixed harbor facilities have been removed from the Western Zones of Germany, nor are any removals planned. Approximately 60 percent of such facilities have, however, been destroyed, in accordance with decisions of military security. No replacement is contemplated as part of aid to European recovery. No information is available concerning the Soviet Zone.

QUESTION 11. Has the Government of the United States taken appropriate steps to delay temporarily the further dismantling of plants in western Germany so as to permit further study by the appropriate committees of Congress in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?

ANSWER

The U.S. Government has taken no steps to halt the general dismantling program pending Congressional study of its economic effects, but is now engaged in discussions with the British regarding the question of further reparation deliveries to the east. It will be recalled that General Clay stopped deliveries of additional reparations plants

and equipment in May 1946 because no agreement could be reached to implement the Potsdam Agreement for the economic unification of Germany. Since that time only the various reparations plants originally allocated and equipment from war plants which would not have been retained in Germany in any case have been delivered as reparations. Only the tag ends of one industrial plant and equipment from two war plants are in process of delivery to Russia. It is the U.S. position that no further deliveries to Russia should be made from the U.S. Zone until and unless agreement can be reached on other economic issues. As has been stated discussions at the governmental level are in progress with the British in an endeavor to develop a common policy.

The decision to continue the dismantling program was reached only after very thorough re-examination of the entire situation, with respect not only to the position in Germany but also to the international relations of the United States generally.

Since the publication on October 16, 1947, of the revised list of plants to be removed from the Bizonal Area, the German people have been told repeatedly that the list is a final one; that it represents a definitive settlement of the reparation problem; and that from here on they can plan their economic reconstruction on the basis of certain knowledge of the resources which will be left to them. General Clay is strongly of the opinion that even a temporary suspension of the dismantling program at this time would have very serious political repercussions, and would make any future resumption of the program extremely difficult.

With respect to our international relations generally, the dismantling program represents the fulfillment of commitments undertaken by the three Western Occupying Powers when they signed the Paris Agreement on Reparation of January 24, 1946. It will be recalled that, on the initiative of General Clay, the program was suspended in May, 1946, in order to permit re-examination of the needs of Western Germany in the light of the Soviet refusal to agree to economic unity; and that the October, 1947, list of plants was drawn up in accordance with a Revised Level of Industry prepared for the specific purpose of allowing for the lack of such unity. The signatories of the Paris Reparation Agreement have, therefore, already been subjected to a very lengthy delay in the fulfillment of their original expectations, and have now been told that the new plant list represents a definitive settlement which will be carried out promptly. These countries need the equipment now. To postpone further the dismantling program would cause them the most serious concern, and would give propaganda material to the critics of the United States.

U.S.-U.K. Begin Consular Treaty Negotiations

[Released to the press January 30]

The Department of State announced on January 30 that representatives of the United Kingdom have begun direct negotiations with representatives of the United States for the preparation of a consular treaty between the two countries. The treaty will define and clarify for the first time the rights and privileges mutually extended to consular representatives of the United States and the United Kingdom and will enable them in a more satisfactory manner to perform their official functions while serving abroad.

The proposed treaty, when ratified, will be the first consular convention concluded by the United Kingdom. It is expected to follow the same general lines as the recently announced consular treaty with Costa Rica.² The importance of the convention now under negotiation is also evidenced in the fact that it will apply to the United States and all its territories and possessions, and to the United Kingdom and all British colonies and other dependent territories, and it will therefore cover a wider area and include more consular posts than any other similar consular convention. The current negotiations are the outgrowth of written exchanges which have been carried on between the two Governments for some time.

The United Kingdom representatives and the key United States representatives are as follows:

UNITED KINGDOM REPRESENTATIVES

(*Chairman*) W. E. Beckett, C.M.G., K.C., Legal Adviser to the Foreign Office
 R. W. Urquhart, C.M.G., O.B.E., Minister at the British Embassy
 R. S. B. Best, Legal Counselor at the British Embassy
 D. J. Mill Irving, Consular Department, Foreign Office

UNITED STATES REPRESENTATIVES*Department of State*

(*Chairman*) Herbert P. Fales, Assistant Chief, Division of British Commonwealth Affairs

Department of Justice

D. E. Feller, Attorney, Office of Alien Property

Maritime Commission

Charles E. Moody, Chief Agency and Port Service Section

Treasury Department

Raphael Sherfy, Attorney, Tax Legislative Council

¹ Not printed.

² For text of convention with Costa Rica, see Department of State press release 33 of Jan. 13, 1948.

Attachments¹

1. Plant and Part Plants Listed for Reparations from U.S. and U.K. Zones.
2. List of Plants Disposable as Reparations in the French Zone of Occupation.
3. Table "A". Character and Capacity of Non-War Plants Already Removed from U.S. Zone as of 1 January 1948.
4. Table "B". Character and Capacity of Non-War Plants Scheduled for Removal from the U.S. Zone, as of 1 January 1948.
5. Revised Plan for Level of Industry in the US/UK Zones of Germany. [BULLETIN of Sept. 7, 1947, p. 468.]
6. Statement by General Clay concerning the Dismantling Program.

Soviet Proposals on German Assets

[Released to the press January 28]

The Soviet proposals on German assets have been received from the secretariat of the Council of Foreign Ministers. They include Soviet claims for concession rights to oil-production areas in Austria equivalent to two thirds of the total production of oil; concession rights for oil prospecting equal to two thirds of all undeveloped areas in eastern Austria; refining capacity, capable of producing 450,000 tons of crude oil a year; and all undertakings in the distribution of oil products now controlled by the Soviets. The concession rights are to run for 50 years.

In addition, the Soviets claim assets of the Danube Shipping Company, located in Hungary, Bulgaria, and Rumania, and a 25-percent share of the assets of the company located in Austria. In lieu of all other claims—or former claims to assets located in Austria—the Soviets propose a lump-sum payment of 200 million United States dollars payable within two years in freely convertible currency.

With regard to the property transfers made to the Soviet Union, the Soviets propose that property rights shall not be subject to alienation, and that economic enterprises under their control shall be permitted to export profits or other income either in the form of products or freely convertible currency. The property transferred to the Soviet Union shall be free of all obligations, and any disputes arising from the operation of the enterprises shall be settled bilaterally between the Soviet Union and Austria.

These proposals are now under consideration in the Department of State.

No date has been set for the meeting of the Deputies to discuss these proposals and to conclude the Austrian treaty.

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Contributors

William Sanders, author of the article on the Inter-American System, is directing and coordinating the preparatory work on the Bogotá conference for the Assistant Secretary of State for political affairs.

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bulletin

Vol. XVIII, No. 430

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AN INTERNATIONAL BILL OF HUMAN RIGHTS

Article by James P. Hendrick

The United Nations Commission on Human Rights is charged with the task of preparing an international bill of rights. The task is complex. Its goal is definite—the preparation of a document. Its concept is original—no such work has heretofore been undertaken.

Background Work on an International Bill

In 1929 the Institute of International Law met at Briarcliff, New York, to formulate what is generally believed to be the first draft of such a bill. It contained six short articles and covered the following rights: right to life, liberty, property; right to religious practice; right to use of any language; freedom from discrimination on grounds of race, sex, language, or religion; right to nationality. No effort was made to pursue the matter and the subject lay dormant for over a decade. In 1941 the President of the United States announced the four freedoms as objectives of international importance. A few days after the United States had declared war, the words “human rights” were used for the first time in a United Nations document.¹ At Dumbarton Oaks provi-

¹ See the U.N. declaration of Jan. 1, 1942, which stated that the signatory governments were “convinced that complete victory over their enemies is essential to . . . preserve human rights . . .”

² See Dumbarton Oaks Proposals for a General International Organization (1944) chap. 9, sec. A, par. 1; and resolution XL of *Inter-American Conference on Problems of War and Peace*.

³ U.N. Charter: preamble (2d par.); art. 1, par. 3; art. 13, par. 1 (b); art. 55 (c); art. 62, par. 2; art. 68; art. 76 (c). The background on this subject, with particular reference to the responsibilities of nongovernmental organi-

sation was made for promoting respect for human rights and fundamental freedoms, and later at the Inter-American Conference on Problems of War and Peace, held at Mexico City in 1945, resolutions were passed recognizing the essential importance of human rights in the Inter-American System.² Plans were made for an inter-American declaration, which is to be considered at the forthcoming Ninth International Conference of American States, scheduled to convene in Bogotá, Colombia. Finally, in the United Nations Charter as drafted at San Francisco, reference was made no less than seven times to human rights, and provision was specifically made for the setting up of a Commission on Human Rights.³

First Session of the Economic and Social Council

When the Economic and Social Council assembled for its first meeting, in London in January 1946, for the purpose, among others, of constituting a Commission on Human Rights, two draft declarations of rights were presented to it, one by Panama⁴ and the other by Cuba.⁵ Later Chile presented a draft declaration to the Commission on Human Rights⁶ and since then a substantial

zations and individuals in the United States for the creation of the Commission on Human Rights and work on an international bill, is given in an article on “The Charter and the Promotion of Human Rights” by Alice M. McDiarmid, *BULLETIN* of Feb. 10, 1946, p. 210. See also *Yearbook of the United Nations*, 1946–47, p. 523.

⁴ U.N. docs. E/HR/3, Apr. 26, 1946, or A/148, Oct. 24, 1946. The declaration was written under the auspices of the American Law Institute.

⁵ U.N. doc. E/HR/1, Apr. 22, 1946.

⁶ U.N. doc. E/CN.4/2, Jan. 8, 1947, prepared by the Inter-American Juridical Committee, working under the mandate of the Mexico City resolution.

number of other bills have been presented formally or informally.⁷

The Economic and Social Council set up the Human Rights Commission on February 16, 1946. Nine members were elected to serve as a nuclear group.⁸ The Commission's terms of reference, as approved by the Economic and Social Council, included "work . . . directed towards submitting proposals, recommendations and reports to the Council regarding . . . an international bill of rights".⁹

Nuclear Commission Session

The nuclear commission met at Hunter College, New York, from April 29 to May 20, 1946. Beset by many difficulties,¹⁰ the nuclear commission

⁷Included among the bills which have been prepared are the following: International Bill of Rights, proposal submitted by the American Federation of Labor (E/Ct. 2/2, Aug. 20, 1946); draft General Assembly resolution submitted by India (U.N. doc. E/CN 4/11, Jan. 31, 1947); Draft Charter of International Human Rights and Duties submitted by Ecuador (U.N. doc. A/341, Aug. 21, 1947); Report of the UNESCO Committee on the Philosophic Principles of the Rights of Man (UNESCO/Phil/10, Paris, July 31, 1947); Draft International Bill of Human Rights, prepared by the Committee on Human Rights, Commission to Study the Organization of Peace; National Catholic Welfare Conference—A Declaration of Rights; Declaration of Human Rights, submitted by the American Jewish Committee, January 1945; Draft of the International Bill of Rights, by the American Association for the United Nations and the American Jewish Conference; Declaration of the Rights of Man, London *Daily Herald*, Apr. 20, 1940; Enumeration of Subjects for Consideration as to an International Bill of Rights, by the American Bar Association; A charter for the United Nations—The Rights of Every Man, recommended by *Free World*; Declaration of the International Rights and Duties of the Individual, by Gustavo Gutierrez: An International Bill of the Rights of Man, by H. Lauterpacht, Columbia University Press, New York; International Bill of Rights; Principles of the Rights and Duties of Individuals, by Irving A. Isaacs; International Bill of Rights, suggested by Rollin McNitt; An International Bill of Rights, by Rev. Wilfred Parsons, S.J.; Declaration of the Rights of Man by H. G. Wells; National Resources Planning Board: A New Bill of Rights. See also U.N. doc. E/600, Dec. 17, 1947, p. 8, par. 28, referring to communications concerning human rights from writers whose identity may not (under Economic and Social Council ruling) be divulged.

⁸The members of the nuclear commission were chosen to serve as individuals rather than as government representatives. Except for the U.S.S.R. and Yugoslav members, they were elected by name by the Economic and Social Council at its first session. The membership of

nonetheless produced a report which laid the foundation for the work of the permanent Commission on Human Rights.¹¹ In addition it recommended provisions for implementation which prompted the Economic and Social Council to consider that "the purpose of the United Nations with regard to the promotion and observance of human rights, as defined in the Charter of the United Nations, can only be fulfilled if provisions are made for implementation of human rights and of an international bill of rights", and to request the Commission to submit suggestions regarding implementation.¹²

First Session of the Full Commission

The full Commission on Human Rights was elected by the Economic and Social Council at its

the Commission at its first and only session was as follows: chairman, Mrs. Franklin D. Roosevelt (U.S.); vice chairman, René Cassin (France); rapporteur, K. C. Neogi (India). Other members were: Paal Borg (Norway), Alexander Borisov (U.S.S.R.), Dusan Brkish (Yugoslavia), Fernand Dehousse (Belgium), Victor Haya de la Torre (Peru), C. L. Hsia (China).

⁹U.N. *Journal of the Economic and Social Council*, no. 12, p. 124

¹⁰The meetings were held in a reading room in Hunter College. Three tables were joined in U-shape around which the delegates sat. The public sat on wooden benches which had been moved in for the occasion. There was no amplifying system. Three members were unable to attend—Messrs. Borg, Dehousse, and Haya de la Torre. One of the six persons present was replaced a week before adjournment by a substitute who explained that his predecessor had actually had no authority to act and who refused to be bound by his predecessor's votes. At one time a new interpreter broke down completely after the first few words of translating a rather lengthy speech delivered by the French member, and the situation was saved by the Chairman (Mrs. Roosevelt) completing the translation and acting as interpreter until a substitute could be found.

¹¹The nuclear commission recommended that the full Commission should draft an international bill of rights "as soon as possible". (U.N. doc. E/38 Rev. 1, May 21, 1946, p. 6, resolution B, 1.) This recommendation was neither approved nor disapproved by the Economic and Social Council. However, at the first session, second part, of the General Assembly a resolution was passed transmitting the draft declaration presented by Panama to the Economic and Social Council for reference to the Commission on Human Rights "for consideration by the Commission in its preparation of an international bill of rights" (General Assembly resolution 43 (1), first session, second part).

¹²U.N. docs. E/56/Rev. 2, July 1, 1946, p. 3, and E/38/Rev. 1, May 21, 1946, p. 7.

second session in June 1946.¹³ The full Commission's first session was held from January 27 to February 8, 1947, at Lake Success. Its task was clearly recognized—to prepare an International Bill of Rights. Nonetheless the approach of the members was cautious. General statements were made on the importance of setting forth human rights in an international document. The only indication of a fundamental difference of opinion arose in connection with a speech delivered by the Yugoslav member, Dr. Ribnikar, stating that new economic conditions in the twentieth century had given birth to a collective spirit; that personal freedom could be obtained only through perfect harmony between the individual and the community, and that the social ideal lay in the interests of society and of the individual being identical.¹⁴ The speech was criticized by another member who stated that today man had no need for protection against kings or dictators, but rather against a new form of tyranny: that exercised by the masses and by the state.¹⁵

Following the general discussion the secretariat prepared a list of human rights based on various bills which had been prepared and considered. It soon became obvious that effective drafting could not be accomplished at this meeting by the full Commission. The United States member there-

upon pressed strongly for the adoption of her suggestion¹⁶ that a working group should prepare an initial draft, to be submitted to the second session of the Commission. This suggestion was accepted and the Commission adjourned, having, in addition to the work on the bill, established a Subcommittee on Freedom of Information and of the Press and a Subcommittee on Prevention of Discrimination and Protection of Minorities.

Definitive Plan for Drafting of the Bill

The Economic and Social Council considered the Commission's report and an eight-point program was adopted for the drafting of a bill envisaging (1) secretariat preparations; (2) consideration by the Human Rights Drafting Committee; (3) consideration by the Human Rights Commission; (4) submission for comment to all member nations; (5) reconsideration by the Drafting Committee; (6) reconsideration by the Commission; (7) consideration by the Economic and Social Council; and (8) consideration by the General Assembly.¹⁷ The first four steps of this program have now been taken.

First Session of the Drafting Committee

The Human Rights Drafting Committee convened on June 9, 1947.¹⁸ Before it was a secre-

¹³ Its membership was as follows for the first session: chairman, Mrs. Franklin D. Roosevelt (U.S.); vice chairman, P. C. Chang (China); rapporteur, Charles Malik (Lebanon); other members present at the session were William R. Hodgson (Australia); T. Kaminsky (Byelorussian Soviet Socialist Republic); F. Nieto del Rio (Chile); Osman Ebeid (Egypt); Mrs. Hansa Mehta (India); Ghassame Ghani (Iran); Carlos P. Romulo (Philippine Republic); Charles Dukes (United Kingdom); V. F. Tepliakov (U.S.S.R.); Jose A. Mora (Uruguay); V. Ribnikar (Yugoslavia). The following members were unable to attend: Fernand Dehousse (Belgium); Ricardo J. Alfaro (Panama); G. D. Stadnik (Ukrainian Soviet Socialistic Republic); the first two were represented respectively by Roland Lebeau and German Gil Guardia, both of whom participated without vote. In keeping with a compromise worked out by the Economic and Social Council for all commissions, the individuals serving on the Commission were chosen in consultation with the U.N. Secretary-General so that a well-balanced group could be assured; the members served, however, as government representatives in that they were (unlike the case of nuclear commission members) subject to instructions from their governments.

¹⁴ U.N. doc. E/CN.4/SR8, Jan. 13, 1947, p. 4.

¹⁵ Dr. Malik of Lebanon (U.N. doc. E/CN.4/SR9, Feb. 1, 1947, p. 3). Miss Sender, Representative of the American Federation of Labor, whose draft declaration had been specifically criticized by Dr. Ribnikar, stated that Dr. Ribnikar had placed greater importance upon common interest than that of the individual, and had considered the idea of individual liberty obsolete. The American Federation of Labor considered that individual liberty was perfectly compatible with the interests of the community. (U.N. doc. E/CN.4/SR8, Jan. 31, 1947, p. 5).

¹⁶ U.N. doc. E/CN.4/4, Jan. 28, 1947.

¹⁷ Resolution 46 (IV), fourth session of the Economic and Social Council. The first session of the eight-member Human Rights Drafting Committee was held in June 1947; the second session of the Human Rights Commission, in December 1947. The Commission's report was submitted to member nations for comment in January 1948. The second session of the Human Rights Drafting Committee is scheduled for May 1948; the third session of the Commission for May 1948; the seventh session of the Economic and Social Council, for July 1948; and the third session of the General Assembly for September 1948.

ariat outline of a bill with annotation to constitutions of member states—a document of over 400 pages.¹⁹ The secretariat outline contained 48 articles. It was designed to cover most of the rights commonly contained in constitutions of member states or in drafts of international bills of rights. The United States, accepting the secretariat outline as a basis for discussion, filed a memorandum suggesting amendments.²⁰ Other members made suggestions from the floor. The difficulty of handling a detailed task of drafting with eight members in formal session became evident. A subcommittee was appointed; thereafter the subcommittee designated one individual—Professor Cassin of France—to prepare the initial redraft. Professor Cassin's redraft contained 46 articles.²¹ Subsequent redrafting reduced the Declaration to 36 articles.²² The Declaration did not purport to be legally binding.

The United Kingdom, however, had filed with the Drafting Committee a proposed covenant (convention)²³ on human rights which set forth in the form of a treaty obligation certain of those civil rights which are presently recognized in the local laws of "civilized nations".²⁴

This document, when formally ratified by states, would impose a definite legal obligation. It would,

¹⁸ Membership of the Human Rights Drafting Committee was as follows: chairman, Mrs. Franklin D. Roosevelt; vice chairman, P. C. Chang; rapporteur, Charles Malik; other members were W. R. Hodgson (Australia); H. Santa Cruz (Chile); René Cassin (France); V. Kortsy (U.S.S.R.); Geoffrey Wilson (U.K.).

¹⁹ U.N. doc. E/CN.4/AC.1/3/Add.1, June 2, 1947.

²⁰ U.N. doc. E/CN.4/AC.1/8, June 11, 1947.

²¹ U.N. doc. E/CN.4/21, annex D, July 1, 1947.

²² *Ibid.*, annex F. The substance of these articles is summarized in *Concerning Freedom of Information*, Department of State publication 2977, p. 12.

²³ The term "covenant" is used in this article in lieu of the more ordinary terms "convention" or "treaty", in view of a decision to this effect reached by the Human Rights Commission at its second session (U.N. doc. E/600, Dec. 17, 1947, p. 6, par. 18). No distinction has been made by the Commission between the three terms, which have been used by its members to designate a legally binding document, to be ratified by states in accordance with their constitutional processes. The United Kingdom wished to use the term "bill". Other members objected to its use in lieu of "covenant" on the ground that the word could not be adequately translated into any other working language. (The French translation is *charte*, which also means "charter".) They were, however, willing to use the word "bill" to cover both the Declaration and Covenant. Since the decision on terminology was not reached until

therefore, be an entirely different type of document from a declaration, which would merely require a General Assembly vote and would impose only a moral obligation.

The Committee discussed at some length the advisability of drafting a covenant in lieu of or in addition to a declaration at this time. It was eventually decided to draft substantive articles of the covenant; but since little time was available for detailed consideration, the articles proposed by the United Kingdom were tentatively accepted by the Committee virtually without change.²⁵ At the same time it was decided that the final two articles of the secretariat declaration, which in effect purported to make the declaration a legally binding document, should not be included in the Drafting Committee's declaration.²⁶

The Drafting Committee, therefore, completed a declaration (without preamble) and substantive articles of a covenant, which were submitted to the second session of the Commission, held in Geneva, December 1, 1947.

Second Session of the Human Rights Commission

The second session²⁷ of the Human Rights Commission started with a procedural question: should

close to the end of the Commission's second session, the report of the second session is not consistent in using "covenant" in place of "convention".

²⁴ U.N. doc. E/CN.4/21, annex B, July 1, 1947. Reference to "civilized nations" is made *ibid.*, p. 29, annex B, 1.

²⁵ *Ibid.*, annex G. The substance of these articles is summarized in *Concerning Freedom of Information*, Department of State publication 2977, p. 12.

²⁶ Arts. 47 and 48 of the secretariat declaration (*ibid.*, annex A), provided that it was the duty of each member to respect the rights enumerated; that these rights should be deemed fundamental principles of international law and of national law of each member state, and their violation deemed a matter of international concern.

²⁷ Eight members who had attended the first session attended the second as well. The representatives or alternates who attended the second session and had not attended the first session were as follows: Fernand Dehousse, Belgium (representative); A. S. Stepanenko, Byelorussian Soviet Socialist Republic (representative replacing T. Kaminsky); E. Cruz-Coke, Chile (alternate); C. H. Wu, China (alternate); Omar Loutfi, Egypt (alternate); A. G. Pourevaly, Iran (alternate); M. Amado, Panama (alternate); M. Klekovkin, Ukrainian Soviet Socialist Republic (representative replacing G. D. Svadnik); A. E. Bogomolov, U.S.S.R. (representative replacing V. F. Teplakov); J. J. Carbajal Victorica, Uruguay (alternate).

priority be given to the preparation of (1) a declaration, (2) substantive articles for a covenant, or (3) measures of implementation?²⁸ The obvious compromise, which the Commission in due course decided to make, was to produce at the same time papers on all three points. The Commission was split into working groups of substantially equal size²⁹ which were to report to the full Commission in time for the equivalent of one full day to be spent on each topic.

DECLARATION

The Declaration as approved by the Commission contains 33 articles.³⁰

Substantive Rights

The substantive rights set forth in the Declaration may be divided into three classes—civil, social and economic, and miscellaneous.

²⁸ Several members felt that a covenant, being a document of the most intricate and technical nature, could not possibly be worked out in satisfactory form in a series of meetings lasting less than three weeks; that this time would be best spent in completing a well drafted, thoroughly thought-through declaration. This was the position taken by both the U.S. and the U.S.S.R. at the start of the session. Others expressed the view that the definite mandate of the Commission was to produce a "bill"; that a declaration, which would have at most a morally binding force, could under no possible interpretation be considered a "bill", and that to finish the second session of the Commission without a covenant would be to "bury" the Commission on Human Rights. This was the attitude taken by the U.K. and by Belgium and almost all other smaller countries represented on the Commission. In addition, certain members drew attention to the resolution of the Economic and Social Council that the Commission must make suggestions regarding ways and means for effective implementation of human rights. (U. N. doc. E/38 Rev. 1, May 21, 1946, p. 7. See *supra*, discussion of nuclear commission session.)

²⁹ Working group on the Declaration: Stepanenko (Byelorussian Soviet Socialist Republics); Cassin (France, rapporteur); Amado (Panama); Romulo (the Philippines); Bogomolov (U.S.S.R.); Mrs. Roosevelt (U.S., chairman). Working group on the covenant: Wu, Nen-Ju (China); Loutfi (Egypt); Malik (Lebanon, rapporteur); Lord Dukeston (U.K., chairman); Ribnikar (Yugoslavia). Cruz-Coke (Chile) was appointed but was unable to attend. Working group on implementation: Hodgson (Australia); Dehousse (Belgium, rapporteur); Mehta (India, chairman); Pourevaly (Iran); Klekovkin (Ukrainian S.S.R.). Carbajal Victorica (Uruguay) was appointed but was unable to attend.

I. Civil Rights

Eighteen articles deal with civil rights, which may be summarized as follows:

Personal Liberty: Right to life, liberty, and security of the person (article 4); freedom from slavery (article 8); freedom from torture, cruel or inhuman punishment, or indignity (article 7); freedom from interference with reputation, privacy, family, home, correspondence (article 9); liberty of movement and free choice of residence within states; right to leave country (article 10).

Legal Status: Right to recognition as a person before the law (article 12); equality before the law (article 3).

Provisions Applying to Civil and Criminal Cases: Access to independent and impartial tribunals; fair hearing; aid of qualified representative;³¹ use of foreign language when necessary (article 6);³² freedom from wrongful arrest;

³⁰ In general the Declaration follows the form of the Human Rights Drafting Committee's declaration—it is a rather lengthy document with a certain amount of technical detail included. The advantages of a short declaration (which could be easily memorized by any school child) were apparently considered to be outweighed by the advantages of a statement which, in the event that governments refused to become parties to the covenant in any substantial numbers, would furnish a guidepost for United Nations action. In addition, special interest in individual articles and the shortness of time at the declaration working groups' disposal made for length rather than brevity in drafting (a common enough experience in the United Nations and other fields). The U.S. submitted to the Commission a "short form" declaration consisting of 10 brief articles, describing in 350 words the rights sought to be covered (U.N. doc. E/600, Dec. 17, 1947, p. 25; BULLETIN of Dec. 7, 1947, p. 1076). While the decision of the working group was to produce a substantially longer draft, the Commission toward the close of its session recognized that the definitive declaration must be as short as possible (*ibid.*, p. 16, par. 50).

³¹ Originally provision was made for "aid of counsel". This provision was changed however in view of the fact that in certain administrative cases lawyers are not available as of right to the parties concerned.

³² Provision is made for having procedure explained in a manner which the party can understand, and the party is given the privilege of using a language which he can speak. This provision was warmly advocated by the Philippine member. The U.S.S.R. member would have preferred an even stronger provision. Certain of the civil law countries opposed the provision adopted regarding explanation of procedure, since it was not provided for under their laws and regarded as undesirable.

right to immediate judicial determination of legality of detention (habeas corpus) and to trial within reasonable time (article 5).³³

Additional Provisions Applying to Criminal Cases: Presumption of innocence; fair public trial; freedom from *ex post facto* laws (article 7).³⁴

Freedom from Discrimination: Freedom from discrimination in relation to the rights set forth in the Declaration "without distinction of any kind, such as race, (which includes colour), sex, language, religion, political or other opinion, property status, or national or social origin";³⁵ equal protection against "any arbitrary discrimination, or against incitement to such discrimination" (article 3).³⁶ Provision is also made that men and women "have the same freedom to contract marriage" (article 13); that women shall work "with the same advantages as men" and "receive equal pay for equal work" (article 24).³⁷

³³ It will be noted that a distinction is made between a "fair hearing" for civil and criminal cases, and a "fair public trial" for criminal cases.

³⁴ Special explanation is made covering cases of war criminals.

³⁵ The quoted provision departs from the language employed in arts. 1 (3), 13 (1, b), 55 (c), 76 (c) of the Charter—"without distinction as to race, sex, language, or religion". The view expressed by the United States was that the four categories described in the Charter were not meant to be exclusive, since the Charter refers to "human rights . . . for all".

³⁶ Cf. art. 17, Draft Declaration proposed by Panama, U. N. docs. E/HR/3, Apr. 26, 1946, or A/148, Oct. 24, 1946.

³⁷ In the Declaration working groups' article, provision was made that "women shall have the right to work under the same conditions as men", but an official comment was inserted that legislation providing protection for women, particularly in regard to heavy or harmful work, may be necessary. (U.N. doc. E/CN.4/57, Dec. 10, 1947, art. 30.) The change in the article as approved by the full commission was made on the suggestion of the Uruguayan member, Dr. Juan J. Carbajal Victorica.

³⁸ Art. 21—Everyone "without discrimination" has the right to participate in government; art. 25—Everyone "without distinction as to economic and social conditions" has the right to preservation of health; art. 27—There shall be access for higher education "without distinction as to race, sex, language, religion, social standing, financial means, or political affiliation."

³⁹ The article on religion makes it clear that this right is not limited to the act of worship, but extends to teaching and observance. The freedom of information articles were adopted from the Human Rights Drafting Committee's declaration without change and without discussion with the understanding that they would be referred to

In addition certain articles provide specifically that the right therein described is granted without discrimination, where such emphasis is considered desirable.³⁸

Right to Property: (Article 14)

Freedom of religion, information, assembly, and association: (Article 16, 17, 18, 19)³⁹

Right of Petition: Right is granted to petition one's state or the United Nations (article 20)⁴⁰

Right to Participation in Government: (Article 21)⁴¹

II. Social and Economic Rights

Nine articles deal with social and economic rights. These may be summarized as follows:

Substantive Rights: Right to engage in public employment (article 22); right to work (article 23);⁴² right to pay commensurate with ability,

the Freedom of Information Conference to be held in Geneva, Mar. 23, 1948, as well as the Subcommittee on Freedom of Information and of the Press. The article on assembly and association enumerates the various purposes for which such activity is justified—purposes of a political, economic, religious, social, cultural, trade-union, or any other character, not inconsistent with the Declaration. Participation in international associations is permitted, but an official comment of the Commission provides that the right is not intended to extend to international political associations forbidden by law (U.N. doc. E/600, Dec. 17, 1947, p. 28).

⁴⁰ The right to petition the United Nations was objected to by certain members in previous sessions of the Commission and the Drafting Committee on the ground that no machinery had yet been worked out for its implementation. In the second session of the Commission, detailed machinery for dealing with petitions was discussed in the Covenant Working Group and was provided for by the Implementation Working Group.

⁴¹ The right is granted everyone to take an effective part in the government of his country and provision is made for periodic elections. The elections are to be "free, fair and by secret ballot". An official comment of the Commission provides that exceptions can be made in cases of non-metropolitan territories. It was pointed out that in certain primitive, illiterate communities the only way to obtain a fair election is by counting noses. The French member contended that the article should not be construed to require a specific form of ballot, and referred to the "Family Vote", which confers on adults voting rights which would belong to minors (U.N. doc. E/CN.4/57, Dec. 10, 1947, p. 13).

⁴² The Human Rights Drafting Committee's provision on this point was the right to "perform socially useful work" (U.N. doc. E/CN.4/21, July 1, 1947, p. 79, art. 29).

to just and favorable working conditions, to join trade unions (article 24); right to preservation of health through highest standard of food, clothing, housing and medical care (article 25); right to social security, with special care and assistance for motherhood and children (article 26); right to education (which is to be directed to strengthening respect for human rights) (articles 27, 28); right to rest and leisure and vacations with pay (article 29); right to participate in cultural life (article 30).

Responsibility of the State Regarding Social and Economic Rights: The description of the social and economic rights refers frequently to the responsibility of the state, at various times expressed in terms of what it can do or what it must do.⁴³ On the other hand no reference is

⁴³ Thus the state must take all necessary steps to prevent unemployment (art. 23) and must maintain or insure the maintenance of social security measures (art. 26). It is to take such measures as are "within its power" to insure opportunity for useful work (art. 23); access to higher education shall be such "as can be provided by the state or community" (art. 27) and the responsibility of the state or community for health and safety can be fulfilled only by provision of adequate measures (art. 25); marriage and the family shall be protected by the state and society (art. 13). There is, however, no reference to state responsibility in connection with pay or working conditions (art. 30) or fundamental education (art. 27).

⁴⁴ Provision that the state shall conform to the will of the people (art. 21). Although freedom from discrimination in contracting marriage is here classified as a civil right, the protection of marriage would appear more properly to be a social right.

⁴⁵ The reason for this discrepancy lies partly in the fact that persons are so used to the state providing fair trial, et cetera, that nothing appears necessary to be said in this connection. On the other hand the social and economic rights are of recent origin, and mention of the state's duty to insure the right appeared to some desirable. In this connection note must be made of the respective influences of two differing schools of thought in the Commission. The members who were most interested in the definition of civil rights approached the Declaration as a statement of principles, setting forth in general terms the positive rights to be given the individual in the tradition of the great bills of rights of the past. They stated that the proper place for expressing duties of states with respect to these rights would be in a covenant or covenants. Certain other members, however, participated little in the drafting of the civil rights provisions, but were

made to state responsibility in connection with the enumeration of civil rights, except in the article dealing with participation in government.⁴⁴ Thus everyone is entitled to personal liberty, to a fair trial, and to other rights of this character, but nothing is said about the duty of the state to insure these rights.⁴⁵

As presently drafted, therefore, the Declaration shows a curious lack of balance, superficially indicating that the state must be more concerned with social and economic rights than with civil rights.

III. Miscellaneous Rights

Included under the category of miscellaneous rights are the two rights in the declaration which are of a purely international character and rights of minorities. The international rights deal with

actively interested in social and economic rights. These members laid stress upon the importance of state action with respect to social and economic rights; and they were unwilling to conceive of the present need for a covenant or covenants. It was the pressure of their arguments which gave impetus to specific wording relating to state responsibility in the social and economic field.

For example, the proposal that marriage be protected by the state was made by the Byelorussian member (addition of the responsibility of society—which would include the church—was not suggested by him); the proposal that the state take all necessary steps to prevent unemployment was also made by the Byelorussian member; on the other hand the change from a requirement that the state insure higher education to a statement referring to higher education "as can be provided by the state or community" was made by the United Kingdom member. The U.S.S.R. member evinced great interest in one civil right—freedom from discrimination. He proposed the following article (which was not accepted):

"All people are equal before the law and shall enjoy equal rights in the economic, cultural, social and political life, irrespective of their race, sex, language, religion, property status, national or social origin.

"Any advocacy of national, racial and religious hostility or of national exclusiveness or hatred and contempt, as well as any action establishing a privilege or a discrimination based on distinctions of race, nationality or religion shall constitute a crime and shall be punishable under the law of the State."

This article had originally been proposed by Mr. Borisov (U.S.S.R.) in the first session of the Sub-commission on the Prevention of Discrimination and the Protection of Minorities (U.N. doc. E/CN.4/Sub. 2/21, Nov. 26, 1947).

asylum and nationality (articles 11 and 15).⁴⁶ The provision on minority rights (article 31) presented an extremely difficult problem; the Commission refrained from approving or disapproving a provision for them.⁴⁷

A further right, the right to resist tyranny and oppression, is to be considered for inclusion in the preamble.⁴⁸

Articles of Limitation

Although there was detailed discussion of what rights could to some extent be abridged in connection with the covenant and mention was made of freedom from torture as being one which could not be abridged in any way⁴⁹ the Commission made no effort to affirm in the Declaration any "absolute" rights other than individual freedom of thought and conscience.⁵⁰ It was recognized in article 2 that rights are limited, first, by the "rights of others" and, second, by the "just requirements of the democratic state".⁵¹

The provision for rights of others is designed to take care of what might be described as con-

flicting rights. One man's right to freedom of speech (article 17) does not authorize him to slander another's reputation, since under article 9 the other has the right to protection of his reputation.⁵²

The existence of conflicting rights is ordinarily evident from the context of the Declaration.

The Declaration contains no guide as to what is meant by the "just requirements of the democratic state"; nor does it give any indication of what these requirements may be except that all laws shall be "in conformity with the purposes and principles" of the Charter (article 32) and that no state (or person) may engage in any activity aimed at the destruction of rights prescribed in the declaration (article 33). Reference to the covenant, however, indicates the type of state action which may be contemplated: deprivation by the state of life⁵³ for crime legally warranting such penalty; ⁵⁴ imposition of obligation of emergency service in case of fire or flood ⁵⁵ despite declaration of freedom from slavery; ⁵⁶ prohibition of assembly,⁵⁷ if it obstructs traffic.⁵⁸

Specific limitations are occasionally detailed in

⁴⁹ In each case a change was made from the Human Rights Drafting Committee's wording. The right of asylum, formerly limited to seeking asylum from persecution, is now extended to the right to "seek and be granted" asylum. One of the strongest proponents of this change was the French member, who cited the case of Spanish loyalists finding refuge on French soil. In the case of nationality a provision is added to the assertion of everyone's right to a nationality, to the effect that the United Nations shall protect those who do not enjoy the protection of any government. These rights may be noted as particularly vivid examples of the distinction between a declaration and a covenant. While the principle of granting asylum and granting nationality is recognized, it is obvious that a very clear definition of how these rights are to be construed must be worked out before any state will be willing legally to enforce them within its own jurisdiction.

⁴⁷ In the Human Rights Drafting Committee, a redraft of the original secretariat provision (U.N. doc. E/CN.4/21, July 1, 1947, p. 23, art. 46) was made by Professor Cassin (*ibid.*, p. 65, art. 44) and approved with minor changes without any prolonged attempt on the Committee's part to agree on a definitive version (*ibid.*, p. 81, art. 36). The Committee referred this draft to the Sub-commission on the Prevention of Discrimination and the Protection of Minorities. In the Declaration as submitted by the Commission, both the Drafting Committee's version and the

subcommission's version are included (U.N. doc. E/600, Dec. 17, 1947, p. 21, art. 31). Each of these versions grants the right to groups to establish and maintain schools and cultural or religious institutions and use their own language in the press, public assembly, and courts. No specific right is given to share in public funds for this purpose; such a right was provided in the original secretariat proposal (U.N. doc. E/CN.4/21, July 1, 1947, p. 23, art. 46).

⁴⁶ U.N. doc. E/600, Dec. 17, 1947, p. 23, par. 2.

⁴⁹ Discussion by Lord Dukeston (U.K.) in the full Commission in connection with art. 4 of the covenant.

⁵⁰ Art. 16.

⁵¹ Cf. draft declaration presented by Panama, art. 18; draft bill prepared by the Commission to Study the Organization of Peace, art. 3, both of which use the quoted wording.

⁵² Nor does one man's right to manifest his beliefs in observance (art. 16) allow him to kill another in the rite of human sacrifice, since under art. 4 the other has the right to life.

⁵³ Declaration art. 4 provides for right to life.

⁵⁴ Covenant art. 5.

⁵⁵ Covenant art. 8.

⁵⁶ Declaration art. 8.

⁵⁷ Declaration art. 19 provides for the right of assembly.

⁵⁸ Covenant art. 18.

individual articles⁵⁹ for purposes of emphasis: the over-all limitation clause (article 2) could easily be construed to authorize their imposition without detailed enumeration.

COVENANT

The Covenant differs from the Declaration in

⁵⁹Freedom of movement and choice of residence may be limited by laws adopted for security or in general interest (art. 10); the right of asylum is not to be granted criminals or those acting against the aims of the United Nations (art. 11); a similar limitation is placed on United Nations protection of stateless persons (art. 15).

⁶⁰The United States stated its preference for having the substantive articles of the covenant expressed without any limitations but to have a single limiting clause expressed as follows:

"The full exercise of these rights requires recognition

that it is clearly intended to constitute a legally binding obligation and in that it covers a relatively small number of rights. In addition, in its present form it spells out, where appropriate, specific limitations to each right.⁶⁰

of the rights of others and protection by law of the freedom, general welfare and security of all".

This view was agreed to by certain other members (U.N. doc. E/600, Dec. 17, 1947, p. 37, par. 4). The United Kingdom, although strenuously opposing a general over-all limitation clause on the ground that it would render the covenant "innocuous" and bring the United Nations as well as the covenant into discredit (*ibid.*, p. 37, par. 5), sponsored successfully the insertion of an article allowing a state in time of "war or other public emergency" to take measures derogating from its obligations under the covenant "to the extent strictly limited by the exigencies of the situation" (*ibid.*, p. 30, covenant art. 4).

Substantive Rights

The specific rights contained in the Covenant and their limitations may be summarized as follows with cross references to the Declaration articles in parentheses:

SUMMARY OF COVENANT ARTICLES

Article	Right	Right not applicable in case of—
5	Right to life (declaration article 4) . . .	Proper criminal conviction.
6	Freedom from mutilation or scientific experimentation (no corresponding declaration article).	No exception.
7	Freedom from torture, cruel or inhuman punishment, or indignity (declaration article 7).	No exception.
8	Freedom from slavery or forced labor (declaration article 8, referring to slavery only).	Proper criminal conviction, military service, ⁶¹ emergency service, communal service.
9	Right to personal liberty (declaration articles 4 and 5; right to "liberty and security of the person"; freedom from wrongful arrest).	Arrest in proper court proceedings, retention of insane, custody of minors.
	Prompt information of charges in case of arrest (no corresponding declaration provision).	No exception.
	Trial within reasonable time (declaration article 5).	No exception.
	Habeas corpus (declaration article 5).	No exception.
	Compensation for false arrest (no corresponding declaration provision).	No exception.
10	Freedom from imprisonment for debt (no corresponding declaration article).	No exception.

⁶¹ Provision is made for conscientious objectors performing service of a nonmilitary character. A provision that conscientious objectors should be "compensated with adequate maintenance and pay" was defeated (*ibid.*, p. 39).

Article	Right	Right not applicable in case of—
11	Liberty of movement and free choice of residence within state (declaration article 10).	Laws adopted for security or general interest.
	Right to leave country (declaration article 10).	Lawful deprivation of liberty; obligation of military service.
12	Freedom of alien from arbitrary expulsion (no corresponding declaration article).	Illegal entry.
13	Fair hearing in all cases (declaration article 6).	No exception.
	Public trial in criminal cases (declaration article 7).	No exception.
14	Freedom from <i>ex post facto</i> laws (with special explanation in regard to war criminals) (declaration article 7).	No exception.
15	Right to juridical personality (declaration article 12, "recognition as a person before the law").	No exception.
16	Freedom of religion (declaration article 16).	Laws protecting public order, welfare, morals, rights of others.
17	Freedom of information and expression ⁶² (declaration articles 17, 18.)	Publications inciting to alter government by violence, to promote disorder or crime; obscenity; suppression of human rights; publications injurious to fair conduct of legal proceedings; libel; slander; advocacy of national, racial, or religious hostilities inciting to violence. ⁶³
18	Right of assembly (declaration article 19).	Assembly which is not peaceable. Restrictions may also be imposed to protect life or property; to prevent disorders or obstruction of traffic and free movement of others.
19	Right of association (declaration article 19).	Promotion of interests which are not legitimate or lawful objects.
20	Freedom from discrimination in relation to rights set forth in the Covenant, equal protection against arbitrary discrimination or incitement thereto (declaration article 3).	No exception.

⁶² As in the case of Declaration arts. 17 and 18, the Covenant article on freedom of information and expression was taken from the Human Rights Drafting Committee's draft and was not specifically passed on by the Commission. An alternate version suggested by the United States is also printed. The United States version does not contain specific limitations but relies on an over-all limitation clause.

⁶³ This last limitation is not contained in art. 17; it is set forth separately in art. 21.

In addition to the above, the Covenant provides in article 21 that advocacy of national, racial, or religious hostility inciting to violence shall be prohibited;⁶⁴ and in article 22 that no state (or person) may engage in any activity aimed at the destruction of rights prescribed in the Covenant.⁶⁵

Comparison Between Declaration and Covenant

It will be seen that the following rights are contained in the Covenant which are not contained in the Declaration:

Freedom from mutilation or scientific experimentation (article 6); prompt information of charges in case of arrest (article 9); compensation for false arrest (article 9); freedom from imprisonment for debt (article 10); freedom of alien from arbitrary expulsion (article 12); prohibition of advocacy of national or religious hostility (article 21).

The following rights are contained in the Declaration which are not contained in the Covenant:

Freedom from interference with reputation, privacy, family, home, correspondence (article 9); right of asylum (article 11); equal freedom to contract marriage (article 13); right to property (article 14); right to a nationality (article 15); right of petition (article 20); right to participate in government (article 21); all social and economic rights (articles 22-30); rights of minorities

⁶⁴ No corresponding Declaration article.

⁶⁵ Since this right involves implementation, it is considered in the report on implementation; the Commission reached no definite conclusion as to whether it should or should not later be included in the Covenant.

⁶⁶ The distinction is justified by those supporting the two drafts on the assumption that the Covenant is a legally binding agreement whereas the Declaration is a statement of aspirations, certain of which can be placed in a covenant forthwith, others placed in covenants at a later time, and still others left for an indefinite period as moral rather than legal obligations. Under this assumption it is necessary to seek something approaching a least common denominator of rights presently contained, or contemplated for adoption, in the laws of a substantial number of member nations to constitute the material for the first convention. It so happens that rights of this character are the long-established civil rights. Social and economic rights, unknown until recently, are not generally or consistently contained in or projected for enough member nations' laws to make a proposal for a covenant on the subject worthy of immediate considera-

(article 31); right to nationality (article 15); right of petition (article 20).⁶⁵

In other words, the Covenant deals exclusively with civil rights whereas the Declaration deals with civil, social and economic, and miscellaneous rights.⁶⁶

It is worthy of note also that the Covenant does not include all civil rights. Even such elementary rights as ownership of property and participation in government have not been included. The reason given for this was that the beginning must be relatively modest; that nations will not be willing to enter into a covenant which contains rights whose definitions vary considerably in different countries. Under the circumstances it is surprising that a majority of the Commission was able to agree on as many rights as are contained in the Covenant; and the possibility must be envisaged that in subsequent re-examination the Covenant may be narrowed rather than broadened in scope.⁶⁷

Responsibilities of States

The undertaking of each state which becomes a party to the Covenant is expressed in article 2: that its laws should secure the enjoyment of the rights set forth in the Covenant; that it should insure that any person whose rights are violated has an effective remedy, enforceable by independent judiciary and supported by police and executive officers. As an instrument ratified by na-

tion. Analysis of the constitutions of member states compiled by the U.N. secretariat at the time of the first meeting of the Human Rights Drafting Committee (U.N. doc. E/CN.4/AC. 1/3/Add. 1, June 11, 1947) makes this point clear. In the case of certain Commission members who expressed more interest in the social and economic rights than in the civil rights, this was one reason for their voting against the proposed Covenant; but these members made no counter-proposal for a covenant dealing with social and economic rights.

⁶⁷ The Covenant is to be open to accession by all states (article 23). Provision is made for General Assembly approval in the case of states not members of the U.N. or parties to the International Court of Justice. A U.S. alternative article in the body of the text contains no such limiting provision. It will come into force as soon as two thirds of the U.N. members have acceded to it. The disability of federal-state governments to bind states, provinces, or cantons is recognized in article 24, the wording of which is derived from that successfully worked out in international labor conventions. A special provision is also inserted with respect to colonies and territories (article 25).

tions in accordance with their constitutional processes and containing detailed provisions rather than statements of general principles, it would constitute a legally binding obligation. This obligation extends not only to the passage of laws but to the insurance of their enforcement.

IMPLEMENTATION

Within the lapse of less than two years, the United Nations has made considerable strides in working out the details of a declaration and the substantive articles of a covenant. When it comes to the all-important question of what the United Nations can or should do when a right is violated, a majority of the Human Rights Commission members have been quite unwilling to commit themselves. At the first session of the nuclear commission, the significance of this problem was recognized.⁶⁸ At the first session of the full Commission, only three members made formal, specific suggestions for implementation.⁶⁹ At the first session of the Human Rights Drafting Committee, these suggestions and two additional suggestions⁷⁰ were set forth in an information memorandum produced by the secretariat on request,⁷¹ but no committee action was taken with respect to them.

At the second session of the Human Rights Com-

⁶⁸ See discussion of nuclear commission session, *supra*.

⁶⁹ The U.S. originated the proposal that implementation be accomplished by one or more treaties or conventions (U.N. doc. E/CN.4/4, Jan. 28, 1947). But it did not offer specific suggestions as to what means of implementation should be contained in the conventions. Australia proposed an International Court of Human Rights (U.N. doc. E/CN.4/15, Feb. 5, 1947). India proposed investigation and enforced redress by the Security Council in the case of all violations of human rights (U.N. doc. E/CN.4/11, Jan. 31, 1947, par. V).

⁷⁰ Proposals made in the Covenant for consideration of violations by the General Assembly, and obtaining of advisory opinions by the International Court of Justice, suggested by the U.K. (U.N. doc. E/CN.4/21, July 1, 1947, art. 6, p. 32); general proposals for protection of rights "by the commonwealth of nations" and the constitution of "an appropriate International organ with a view to ensuring effective observance of those rights" made by France (*ibid.*, annex H, p. 95).

⁷¹ *Ibid.*, annex H.

⁷² Of the six members assigned to work on this group, one (the member from Uruguay) was unavoidably detained and did not arrive in time to participate. Another (the Ukrainian member) refused to participate in any

mission a report was made by a four-member working group on implementation,⁷² but this report was not approved by the Commission. The report was, however, sent to all member governments for comment, together with the approved drafts of the Declaration and Covenant, since it is necessary before further consideration is given to the Declaration and the Covenant to know whether they are to contain measures of implementation and, if so, what these measures should be.

Implementation of the Covenant

The principal conclusions reached by the four-member Implementation Working Group relative to the Covenant are as follows:

1. The Covenant should become part of the laws of states accepting it.⁷³

2. The General Assembly, the Economic and Social Council, and the Human Rights Commission should have the right to make recommendations regarding violations of the Covenant.⁷⁴

3. The right of petition (alleging violations of the Covenant) should be open to individuals and groups as well as to states.⁷⁵

4. Machinery for petitions should be as follows: A standing committee of five or more independent persons should be appointed, to be aided by an

but the first two meetings (seven in all were held) on the ground that discussion of implementation should be postponed.

⁷³ U.N. doc. E/600, Dec. 17, 1947, p. 44. The report of the Working Group states that measures should preferably be taken by states within their local jurisdictions bringing their laws into line with the Covenant before they ratify the Covenant; otherwise, such measures should be taken within the shortest possible time thereafter.

⁷⁴ *Ibid.*, p. 48. The Working Group felt that the Economic and Social Council should delegate its authority to the Commission in this respect.

⁷⁵ *Ibid.*, pp. 50 ff. This right should not be granted in the case of petitions from nationals of nonsignatory states, or from nongovernmental organizations which do not originate in a signatory state. In connection with this point, and also in connection with article 2 of the Covenant, the question was raised as to whether nonparticipating states or their nationals could allege a violation. As drafted by the Covenant Working Group, the Covenant would have given the right to nonparticipating states to allege violations, since the obligations of the Covenant were stated to be "international law". This provision was deleted in the full Commission on motion of the Egyptian member, in effect, on the ground that nonparticipating states should not be given benefits without expressly assuming burdens.

enlarged secretariat staff and by subcommittees. The committee should screen petitions and negotiate in private session.⁷⁶

5. Supervision and enforcement by the United Nations is legally possible⁷⁷ and advisable; this should be done at a later stage by an organ of the United Nations or a specialized agency.⁷⁸ An international court on human rights is advisable.⁷⁹ The General Assembly, rather than the Security Council, should "ensure . . . implementation of decisions of the . . . Court".⁸⁰

Implementation of the Declaration

There was some indication of a desire to provide for implementation in the Declaration.⁸¹ Actually, however, the Commission approved no provision for implementation of the Declaration, and the Implementation Working Group indicated that the problem of implementation did not arise with regard to the Declaration in view of its "non-binding nature".⁸²

⁷⁶ *Ibid.*, pp. 53-56.

⁷⁷ *Ibid.*, pp. 52, 53. The legal question here considered is whether the United Nations can perform a function not specifically referred to in the Charter. The Working Group concluded that the brief Charter provisions relating to human rights called for specification, and referred to United Nations responsibility for administration of Trieste, based on the peace treaty with Italy, as a precedent for action not specified in the Charter.

⁷⁸ *Ibid.*, pp. 56-62.

⁷⁹ *Ibid.*, p. 61.

⁸⁰ *Ibid.*, p. 63. The Working Group recognized that the General Assembly has powers of recommendation only.

⁸¹ A proposal was made (rejected by both the Declaration Working Group and the full Commission) that the Declaration contain a provision that all United Nations members shall assure that their law is brought into and maintained in conformity with the principles of the Declaration, and that a system of effective judicial appeal be organized by the state to penalize violations of these principles (U.N. doc. E/CN.4/57, Dec. 10, 1947, report of the Declaration Working Group, p. 17). Taken in conjunction with the Implementation Working Group's *dictum* that rights expressed in the Declaration were outside the domestic jurisdiction of member states (U.N. doc. E/600, Dec. 17, 1947, p. 43, question B), the proposal could in effect have provided to a considerable extent the same implementation for Declaration violations as is provided in the Covenant. Although the Implementation Working Group's proposals for an expert committee or for an international court of human rights would not apply to violations of the Declaration, it would seem that the right

As at present drafted, even without the inclusion of specific articles on implementation along the lines suggested by the Implementation Working Group, it is possible that the Covenant would be considered to have removed the barrier imposed by the Charter's domestic jurisdiction clause.⁸³ At the very least, one country which has ratified the Covenant might complain, outside of the United Nations, of violations by another country which has ratified the Covenant; and in view of the essentially domestic nature of the Covenant's obligations, this could concern matters within the offending country's domestic jurisdiction. According to the opinion of the Working Group, such complaint could be made in the forum of the United Nations.⁸⁴

It would not seem, however, that any such removal of the barrier would apply to the Declaration.⁸⁵ Indeed, the project of having recommendations made as to specific violations of an instrument which is an expression of aspirations and is not binding could present considerable difficulties.⁸⁶

of the General Assembly, the Economic and Social Council, and the Commission on Human Rights to make inquiry and recommendation could in such event apply.

⁸² U.N. doc. E/600, Dec. 17, 1947, p. 44.

⁸³ Art. 2, par. 7 of the U.N. Charter provides: "Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII." (Chapter VII deals with Security Council action with respect to threats to the peace, breaches of the peace, and acts of aggression.)

⁸⁴ *Ibid.*, pp. 47-53.

⁸⁵ See letter of Ernest A. Gross, Legal Adviser to the Secretary of State, to the Attorney General, dated Nov. 4, 1947, regarding *Shelley v. Kraemer* (no. 72, U.S. Supreme Court), submitted as an exhibit in the brief of the United States as *amicus curiae*; see also Secretary of State's *Report to the President on the Results of the San Francisco Conference*, Department of State publication 2349, p. 115.

⁸⁶ In this connection the question must be considered whether the complaint against South Africa because of its treatment of Indians would have been the proper subject of U.N. recommendation had it not been for treaties and clearly international subject matter involved. See proceedings of the General Assembly, first session, second part.

Work Accomplished; Work To Be Done

The Commission on Human Rights has produced a Declaration, designed to be a statement of aspirations, that summarizes the civil, social and economic, and other rights which the Commission members felt to be most important. It could be regarded as complete except for a preamble. Whether it will be further expanded, or contracted, whether its emphasis should be on the right of the individual or the right of the state, are among the principal questions facing the Commission and other bodies which will recast it in shape for presentation to the General Assembly.⁸⁷

The Commission has also produced a partial draft of covenant, which is designed to set forth individual rights which member states would be legally bound to observe. The Covenant contains a limited number of civil rights. A principal question to be decided in connection with the Covenant is (as in the case of the Declaration) whether it is to be expanded or contracted.⁸⁸ Another question is to what extent failures to comply with the Covenant's provisions shall warrant international action.

In addition the Commission has authorized the circulation of a working paper on implementation, approved by four of its members.

The work on the international bill of human rights⁸⁹ has reached the half-way mark. Mem-

ber nations have by now received the Commission's drafts. Their comments must be formulated. There remains consideration at sessions of the Human Rights Drafting Committee, the Human Rights Commission, the Economic and Social Council, and the General Assembly, all to be held this year.

The work on the bill of rights to date (February 1948) has been more rapid and more ambitious than many commentators had believed possible. The results of the Commission's second session cannot be considered in any way final so far as the United Nations or any individual member state is concerned. The eighteen members of the Commission are not necessarily a cross section of the United Nations as a whole; and even the governments whose members served on the Commission are not bound by the admittedly tentative conclusions which the Commission reached.

What the Commission sincerely strove to do was to create an atmosphere and the framework of a system in which human rights can be recognized to a fuller extent than hitherto dreamed of. The terrain over which the Commission traveled was absolutely new. Whether or not member nations will feel that the trail blazed by the Commission leads in the right direction will become evident over the course of the next few months.

⁸⁷ See discussion of definitive plan for drafting of bill, *supra*.

⁸⁸ In this connection attention may be given to the proposal originally made by the United States (U.N. doc. E/CN.4/4) for a series of covenants, which was favorably discussed at the Commission's second session.

⁸⁹ The three documents—Declaration, Covenant, and report on implementation—are for the time being referred to by the Commission on Human Rights as the "International Bill of Human Rights" (U.N. doc. E/600, p. 6, par. 18).

Current United Nations Documents: A Selected Bibliography¹

Economic and Social Council

Report of the Activities of the Interim Commission of the World Health Organization in 1947. E/593, January 14, 1948. 26 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Report of the Commission on Human Rights. Second Session. E/600, December 17, 1947. 71 pp. mimeo.

Draft Agreement Between the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization. E/601, December 22, 1947. 6 pp. mimeo.

Co-ordination of the Activities of the United Nations and of the Specialized Agencies in the Economic and Social Fields. E/602, January 20, 1948. 10 pp. mimeo.

Interim Report of the Economic Commission for Europe to the Economic and Social Council. E/603, January 13, 1948. 37 pp. mimeo.

Sixth Session of the Economic and Social Council

STATEMENT BY WILLARD L. THORP¹

U.S. Representative to ECOSOC

MR. CHAIRMAN: As you all unhappily know, we have an agenda before us of 45 items, and it is rather difficult to anticipate adequate consideration of all these items in the length of time we will have in the next several weeks.

I think before I discuss particular items I would merely want to make one general observation. On the document each one of these items looks to be of equal importance. I think we should remember that there are some items here which do indicate a rather new opportunity for our work. For the first time we will have an opportunity to discuss together a careful analysis of general economic conditions and trends. Unfortunately, for reasons which we all understand, we have not had a chance to study these documents in advance, but I know as soon as we have them we will all be very much concerned and interested in them. At the same time we have a series of subjects relating to co-ordination, and we also have the reports of a number of specialized agencies and of commissions and subcommissions. Now these things together mean that we at last have the opportunity which all of us have been anticipating ever since the Council started to undertake the task of reviewing the economic problems, the social problems of the world, reviewing the work of the United Nations and its related agencies, and seeking as best we can to increase the effectiveness and efficiency of the United Nations with respect to these problems. I think the exciting thing about the agenda is hidden away in these small items—small in the number of words on the agenda—and the opportunity to do this task. At the last meeting we were looking forward to the time when we could move toward a consideration of the basic economic con-

ditions in the world and the effectiveness of our own agencies. Apparently that time has come.

With respect to the individual items on the agenda, I should like to divide my remarks into two general groups: first, with respect to the matter of whether certain items should or should not be on the agenda and, secondly, with respect to the sequence of items on the agenda.

With respect to the items that are on the agenda, we see very little that can be done to change the grouping. I would like to comment on item 8. Item 8 is the one entitled "Damage Caused to the Federal People's Republic of Yugoslavia by the Withholding of its Gold Reserves by the United States of America". This is an item which implies that the Economic and Social Council is an agency for resolving disputes between two nations. I shall not discuss in any way the content of this matter, but I should like to say that it is a matter on which negotiation has been taking place between ourselves and Yugoslavia. No resolution has yet been reached of the group of problems of which the item on the agenda is one. The Economic and Social Council has certain functions and powers which are defined in the Charter. There is nothing in the Charter which authorizes the Council to act in an arbitration or a conciliation or a judicial determination. In the Charter you will find all references to the settlement of disputes and situations relating to the work of the Security Council, not relating to the work of the Economic and Social Council. The notion that

¹ Made at the opening session on Feb. 2, 1948, and released to the press by the U.S. Mission to the U.N. on the same date. Mr. Thorp is Assistant Secretary of State for economic affairs.

this agency should become an agency for resolving bilateral economic disputes was certainly not contemplated at San Francisco, and one can find no such indication of a function for us in the Charter. So, for technical grounds, I carefully question the propriety of items of this type appearing on our agenda.

I just should like to speak in a sense for more practical reasons as to why it is somewhat unfortunate to have such items on the agenda. Those of you who have engaged in negotiations are well aware of the fact that your negotiations are made increasingly difficult by the degree to which positions are taken by either Government publicly. In a full discussion of a problem of this sort in public, both Governments involved, I think, will find themselves in a greater difficulty when it comes to ultimately resolving the issue. So, for technical grounds and practical grounds, I regret that this item is on the agenda. However, the United States is a party with respect to this matter. The United States does not wish to take any position which would indicate that it is unwilling to have its acts discussed. We are prepared to discuss the merits of positions taken by our Government, and, therefore, with respect to this item, I shall not oppose its inclusion on the agenda although I do believe that it is most unfortunate to find it there. I cannot take the position of approving it being on the agenda, and, therefore, when we ultimately approve the agenda, Mr. Chairman, I shall ask to be recorded as abstaining with respect to this particular item.

The question has been raised with respect to two items having to do with the specialized agency of ICAO. Nothing that I say on this matter should be regarded as indicating the position of the United States Government with respect to these items. But I should like to support the position taken by the representative of the Secretary-General before the Agenda Committee. That position is reported in full on page 7 of the Agenda Committee's report, and it indicates that the Secretary-General holds that the agreement came into force in May 1947 on action taken by the First Assembly of ICAO to amend its constitution so as to debar Franco Spain from membership and on the withdrawal of the Spanish Delegation from that Assembly; that the coming into force of the agreement had been reported to the General Assembly at its second regular session, to which no objection

had been made; and that the General Assembly had taken a number of actions under the terms of the agreement, including the approval of the admission of Italy and Austria to membership of ICAO. And if, Mr. Chairman, action of the General Assembly with regard to the budget and the allocation of money is to be cited, it seems to me the fact that the General Assembly has taken action with respect to ICAO is an indication that it would be rather snobbish of us to decide that we could not be on friendly relations with the agency which the General Assembly was quite prepared to deal with. On this particular matter I think we have to accept the ruling of the Secretary-General as to whether the requirements of the General Assembly have or have not been made.

There has been some discussion of item 28, the item relating to slave labor. Apparently in general it is recognized that there is a problem of considerable importance but that it is brought before the Economic and Social Council in a questionable setting. I wonder whether that is a legitimate reason for eliminating something from the agenda, Mr. Chairman. The agenda is intended to direct our attention to a problem. In considering the problem I would assume that our duty is to redefine the setting, if we have question about it; to put the problem in its proper context; to determine, if we cannot deal with it, the proper agency to deal with the problem. I was quite impressed with the suggestion made by the Delegate of Poland as to a possible solution of this problem. The fact is that the problem exists, and the speeches with reference to it have justified its inclusion on the agenda.

Now I should like to speak of several points with respect to the order in which things are included on the agenda. Again, Mr. Chairman, I am trying not to discuss the substance but only the problem of setting up a series of topics for our consideration.

The first item about which I have some question is item numbered 5 on the new agenda having to do with the election of three members of the Joint Economic Board for Palestine. The only question on that is that by putting this so early on the agenda it is clear that no action can be taken by the Economic and Social Council, because before any such action could be taken we need a much more exact definition of the requirements, salary, the status, and such things for these indi-

viduals. I have no reason for believing that we will have such information before the end of our session. But it would seem to me that if we do place this item early on our agenda, we should be at least willing to reestablish it on the agenda in the latter days of our session if by chance circumstances develop in such a way that we could properly deal with it in this session.

With respect to item 8—that is the item which I have already discussed as relating to the gold reserve problem—it came as quite a surprise to me to discover its being placed so early on the agenda. It is an item which is not a standing item. It is a new and special and very limited problem. It had originally been item 31 and I would have to state, Mr. Chairman, that if the agenda were followed in this order, which would bring this item up before the Council in a day or two, I should have to ask for some postponement because I shall not be able to take the matter up before next week.

As to item 23, this is an item proposed by the Food and Agriculture Organization concerning coordinated action to meet the continuing world food crisis. On this item the documentation is, to say the least, obscure. This may be a substantive item having to do with food problems. It may be a coordinating item having to do with various agencies in the field of food and agriculture. I would hope that its being placed as a problem in the economic group would not prevent our considering it as one of our coordination problems if

later documentation proves that that is the more appropriate place where it should be included.

Finally, I should like to talk about coordinating items in general. As the agenda comes before us, the fourth group of items from 32 on are grouped together as coordination problems. This agenda is set up this way on the assumption, I believe, that we are virtually going through the entire agenda rather quickly group by group, getting the items into committees for more detailed work. In that case I have no difficulty with this structure. If, on the other hand, we follow the practice which we have had in the past of going on down through the agenda more carefully, I would be inclined to feel that we ought not to leave coordination and its problems to the very end. I agree with the Representative from Australia that emphasis should be put on this point. It should not be incidental; it should be one of our major responsibilities. I am not sure that we ought not to give consideration to coordination problems before we move into the problems of the individual agencies. At any rate, we should have it in mind at that time. While I am not suggesting a change in the agenda with respect to these items, I do suggest that we all keep in mind the fact that we are most concerned ourselves with the problem of coordination and not have it the tail end of our consideration here at our meetings, but have it something that is going along with the substantive consideration of the particular matters before us.

AGENDA FOR THE SIXTH SESSION OF ECOSOC¹

1. (1)* Election of President and Vice-Presidents for 1948
2. (2) Report of the Agenda Committee and adoption of Agenda
3. (9) United Nations Maritime Conference: Question of Voting Rights
4. (21) Admission of Monaco to UNESCO
5. (36) Consideration of arrangements in connection with the election by the Economic and Social Council of three members of the Joint Economic Board for Palestine
6. (38) Draft Rules for the calling of International Conferences
7. (32) Proposal to hold the seventh session of the Economic and Social Council at the United

Nations Headquarters, Lake Success. Item proposed by the representative of the United Kingdom

8. (31) Damage caused to the Federal People's Republic of Yugoslavia by the withholding of its gold reserves by the United States of America. Item proposed by Yugoslavia

¹ Recommendations of the Agenda Committee to the Council subject to reservations and comments contained in section I of the report of the Agenda Committee, U.N. doc. E/631, Jan. 31, 1948.

* Numbers in parentheses represent numbers of items as in U.N. doc. E/607.

Agenda for the Sixth Session of ECOSOC—Continued

9. (new item) Addition to Article concerning the use of the United Nations "laissez-passers" to the agreement between the United Nations and the ICAO
10. (15) Report of the second session of the Social Commission
11. (16) Report of the second session of the Population Commission
12. (17) Report of the second session of the Commission on Narcotic Drugs
13. (18) Report of the Permanent Central Opium Board
14. (19) Report of the Executive Board of the International Children's Emergency Fund
15. (20) United Nations Appeal for Children
16. (28) Report by the Secretary-General on the question of the establishment of Research Laboratories of the United Nations
17. (6) Report of the *ad hoc* Committee on the proposal for an Economic Commission for Latin America
18. (7) Question of the establishment of an Economic Commission for the Middle East
19. (5) Report of the Economic Commission for Asia and the Far East
20. (4) Interim report of the Economic Commission for Europe
21. (8) United Nations Scientific Conference on Conservation and Utilization of Resources
22. (3) Surveys of World Economic Conditions and Trends
23. (33) Co-ordinated action to meet the continuing world food crisis. Item proposed by the FAO
24. (10) Report of the second session of the Statistical Commission
25. (new item) Resolution of the United Nations Trade and Employment Conference at Havana on employment (if accepted and passed by the plenary conference at Havana in time)
26. (12) Report of the second session of the Commission on Human Rights
27. (14) Report of the second session of the Sub-Commission on Freedom of Information and of the Press
28. (34) Survey of forced labour and measures for its abolition. Item proposed by the American Federation of Labor
29. (new item) Report of the second session of the Commission on the Status of Women
30. (35) Principle of equal pay for equal work for men and women workers. Item proposed by the WFTU
31. (13) Genocide
32. (22) Relations with and co-ordination of specialized agencies
33. (23) Work programmes of Commissions of the Council for 1948 and draft calendar of meetings and conferences in 1948
34. (24) Reports of the specialized agencies
35. (25) Report of the Co-ordination Committee
36. (26) Report of the Committee on Negotiations with Intergovernmental Organizations
37. (27) Report of the Council Ngo Committee
38. (11) Implementation of economic and social recommendations
39. (30) Co-ordination of cartographic services of specialized agencies and international organizations. Item proposed by the representative of Brazil
40. (29) Establishment of an International Centre for Training in Public Administration. Item proposed by the representative of Brazil
41. (new item) Composition of Interim Co-ordinating Committee for International Commodity Arrangements
42. (new item) Other urgent questions arising out of the United Nations Conference on Trade and Employment at Havana
43. (37) Election of members of the Permanent Central Opium Board
44. (39) Confirmation of Members of Commissions
45. (40) Election of members of the Agenda Committee for the seventh session

Kenneth Holland Named U.S. Counselor on UNESCO in Paris

Appointment of Kenneth Holland, assistant director of the Office of Information and Educational Exchange, to be United States counselor on Unesco affairs at the American Embassy in Paris was announced on January 30 by the Department of State.

Period Extended for Presentation of Views Regarding Revision of Schedule I of Trade Agreement With Mexico

The Committee for Reciprocity Information announced on January 29 that the closing date for the filing of briefs and for making application to be heard in regard to negotiations for the revision of schedule I of the trade agreement with Mexico is extended until February 18. The date for the public hearing is postponed until February 25, beginning on that date at 10 a. m. Public notice of intention to negotiate for the revision of schedule I of the trade agreement with Mexico was made on December 30, 1947, by the Acting Secretary of State and appears in the December 31, 1947, issue of the *Federal Register* (12 F. R. 8901).¹

¹ BULLETIN of Jan. 11, 1948, p. 59.

Clarification of Status of Certain Discussions Within Far Eastern Commission

[Released to the press by the FEC on January 30]

The attention of the Chairman of the Far Eastern Commission has been called to reports recently appearing in the press, purporting to disclose the status of certain discussions within the Commission. In response to numerous queries regarding these reports, which carry inaccurate and totally misleading implications, the Chairman has authorized the following statement.

The Chairman desires to make clear that no member of the Far Eastern Commission has "blocked consideration" of any increase in Commission membership, or of any other proposal.

In regard to the disarmament of Japan, as was explained in the report of the Secretary General released to the press on July 17, 1947,¹ this subject has been under active discussion within the Commission for some months, looking towards the formulation of principles based upon pertinent sections of the Commission's basic policy agreement. In the course of these discussions representatives have from time to time introduced proposals that naturally reflect differing points of view. Here, as with other matters, negotiations have been carried on within the Commission in an effort to arrive at Allied agreement.

The manner in which these negotiations have been conducted over many months has not changed. Personal relations between representatives continue to be courteous and reasonable. Such differences of opinion as have appeared have been, and continue to be, aired in full and friendly fashion. This procedure has not been modified as a result of changes in personnel that have taken place over the course of two years. Its success is attested by the Allied agreements that have thus far been reached on some 46 policy questions.

In his capacity as United States Representative, the Chairman last week presented to the Commission a statement on the economy of Japan which was subsequently made public. In that statement the Chairman had occasion to observe that the United States Government recognizes "that the cooperation of the Far Eastern Commission and its member states is essential to the successful accomplishment of a program for bringing about a self-supporting economy in Japan." American policy toward Japan, political and economic, is directed toward the creation of conditions that make for lasting peace. Cooperation with our Allies through the machinery of the Far Eastern Commission is an essential part of that policy.

U.S. Asks For Resumption of Austrian Treaty Negotiations

[Released to the press February 2]

The Secretary of State has requested the Secretariat of the Council of Foreign Ministers to transmit to the Government of the United Kingdom, the Union of Soviet Socialist Republics, and France the following proposal concerning the resumption of the discussions by the Deputies of the Council of Foreign Ministers on the Austrian treaty:

"The Secretary of State refers to the agreement of the Deputies for the Austrian Treaty in their sixty-third meeting on December 17, 1947, that the United States Deputy, as next Chairman, would indicate within five days of the receipt of the Soviet proposals on German assets in Austria the date of the next meeting of the Deputies which if possible would be held no later than February 1, 1948. The United States Deputy considered that this agreement would permit the various governments sufficient time prior to the convening of the Deputies to study the Soviet proposals which, as he understood, would be transmitted through the Secretariat of the Council of Foreign Ministers

early in January. The Soviet proposals were received by the United States Government on January 26. The Secretary of State believes that it would be difficult to give proper consideration to the Soviet proposals by the date set by the Deputies in their meeting of December 17. The Secretary of State therefore proposes, with the concurrence of the other governments, that the Deputies meet in London on or about February 20.

"If the other governments see no objection, the United States is prepared to discuss at this meeting the French and Soviet proposals on German assets in Austria, as well as any other proposal designed to solve this problem and the other unagreed Articles in the draft Austrian Treaty."

The Secretary of State has designated Samuel Reber, Deputy Director for European Affairs, Department of State, as Deputy for the Austrian Treaty at the forthcoming meeting.

¹ *Activities of the Far Eastern Commission, Report by the Secretary General, Feb. 26, 1946-July 10, 1947* (Department of State publication 2888).

United States Accepts Membership in South Pacific Commission

[Released to the press January 28]

The Secretary of State announced that the President signed on January 28 the Joint Resolution (H. J. Res. 232)¹ authorizing United States membership and participation in the South Pacific Commission. The President also signed the instrument accepting, on behalf of the United States Government, the agreement establishing the South Pacific Commission.² Accordingly, the Secretary is taking steps to deposit the instrument of acceptance with the Australian Government, which will in turn notify the other signatory governments of this action.

Purpose. The purpose of the Commission is to provide the means by which governments which administer non-self-governing territories in the South Pacific may cooperate with one another to promote the economic and social advancement of the peoples of these territories. This purpose is in accord with the obligations assumed by the members of the United Nations under chapter XI of the Charter with respect to the non-self-governing territories which they administer, namely, to promote the economic, social, and educational advancement of the inhabitants of these territories, to promote constructive measures of development, to encourage research, and to cooperate with one another with a view to the practical achievement of these objectives. The peoples of the non-self-governing territories in the South Pacific, including those administered by the United States, have common economic and social problems, many of which can be solved more expeditiously and economically through joint research and action by the governments administering them.

The South Pacific Commission, assisted by its auxiliary bodies, will provide machinery for such joint research and action. It will serve primarily as an advisory and consultative body to the participating governments, but it also may, if all the governments agree, take executive action.

Membership. The six member governments of the South Pacific Commission, as envisaged by the agreement signed *ad referendum* at the South Seas conference in Canberra on February 6, 1947, are Australia, France, the Netherlands, New Zealand, the United Kingdom, and the United States. The agreement will enter into force when accepted

by all the member governments. The Governments of Australia, New Zealand, and the United Kingdom have already accepted the agreement, and it is expected that the Governments of France and the Netherlands will take similar action in the near future.

Territorial Scope. The territorial scope of the South Pacific Commission comprises some 15 territories, having a total population of approximately 2,000,000, located south of the Equator and east from and including Netherlands New Guinea. The United States now administers American Samoa (17,000 population) and a number of other islands in this area.

Structure of the Commission. The South Pacific Commission will consist of commissioners appointed by each participating government. The Commission will meet at least twice each year. The central secretariat of the Commission will be directed by a secretary general appointed by the Commission, and will be located temporarily in Sydney, Australia, until the Commission decides upon a permanent location within the territorial scope of the Commission.

Auxiliary Bodies. The agreement provides for two auxiliary bodies to the Commission: the South Pacific conference and the South Pacific Research Council.

The South Pacific conference will be composed of delegates from each of the territories in the South Pacific within the scope of the Commission. These delegates will be selected in such a manner as to insure the greatest possible measure of representation of the local inhabitants and in accord with the constitutional processes of the respective territories. The conference will furnish a regular means of consultation among the governments, the Commission, and the peoples of the region. The first session of the conference will be held within two years and thereafter at intervals not exceeding every three years.

The Research Council, members of which will be appointed by the Commission, will sponsor and promote scientific inquiry into ways of improving economic and social conditions in the South Pacific. Examples of the type of research projects to which the Commission and the Research Council will give early consideration are contained in the appendix to the agreement.

Relationship With Other International Bodies. The agreement provides that, while the South Pacific Commission has no organic connection with

¹ Public Law 403, 80th Cong., 2d sess., approved Jan. 28, 1948.

² For article analyzing the agreement, see BULLETIN of Mar. 16, 1947, p. 459.

the United Nations, it shall cooperate as fully as possible with the United Nations and with appropriate specialized agencies on matters of mutual concern within the competence of the Commission. Provision is also made for the governments to consult with the United Nations and the specialized agencies with a view to defining the relationship which may in the future exist and in order to insure effective cooperation between the Commission and these international bodies.

Financial Arrangements. According to the apportionment of the South Pacific Commission's expenses, as set forth in article XIV of the agreement, the United States share is 12½ percent. The proportionate share of other countries is as follows: Australia, 30 percent; France, 12½ percent; the Netherlands, 15 percent; New Zealand, 15 percent; and the United Kingdom, 15 percent. This apportionment is based on the national income of the respective member governments, their prospective national interest in and benefit from the Commission, and their administrative responsibilities in the South Pacific. The agreement provides that, pending adoption by the Commission of its first budget, the governments will contribute their respective shares of £40,000 sterling, or \$160,000, to finance the expenses of the Commission. The United States share would be about \$20,000.

Preliminary Arrangements. Australia and New Zealand, acting pursuant to the agreement, have taken preliminary steps toward the early establishment of the Commission. Through the initiative of these governments, an interim organization of the Commission has been established at Sydney and provided with office facilities and a small staff. A preparatory conference of representatives of the six governments was held at Sydney, November 26-28, 1947, in order to pave the way for the first meeting of the Commission.

Special Session of International Wheat Council

[Released to the press January 28]

A special session of the International Wheat Council opened at Washington, D.C., on January 28 and is expected to last approximately two weeks. The purpose of this session is to continue negotiations for an international wheat agreement which were begun at the International Wheat Conference at London last March and April.

The President has recently approved a revision in the composition of the United States Delegation to the International Wheat Council. Norris E. Dodd, Under Secretary of Agriculture, has been designated to fill a vacancy on the Delegation left by Carl C. Farrington, who has resigned from

the Department of Agriculture to accept a position in private industry. Mr. Dodd is serving as chairman of the Delegation. Other Delegates are Edward G. Cale, Associate Chief, Division of International Resources, Department of State; Leroy K. Smith, Director, Grain Branch, Production and Marketing Administration, Department of Agriculture; and Leslie A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture.

The International Wheat Council, composed of major wheat importing and exporting countries, was established in 1942 to administer certain provisions of an interim international wheat agreement and to facilitate the negotiation of a broader agreement following the termination of the war.

THE FOREIGN SERVICE

U.S. and Nepal To Exchange Ministers

[Released to the press February 3]

The United States and the Kingdom of Nepal will shortly enter into formal diplomatic relations by an exchange of Ministers. This important development in United States-Nepalese relations follows the agreement of friendship and commerce entered into by the United States and Nepal on April 25, 1947. The agreement was negotiated in Kathmandu, the capital of Nepal, by a special United States diplomatic mission headed by Joseph C. Satterthwaite. During the visit of this special mission, preliminary arrangements were made for the exchange of diplomatic and consular representatives.

The Government of the Kingdom of Nepal has now designated Commanding General Sir Kaiser Shum Shere Jung Bahadur Rana to be the first Nepalese Minister to the United States. General Kaiser, at present the Nepalese Ambassador to the Court of St. James, will represent his country concurrently in Washington and London with residence in the latter capital. The Nepalese Minister-Designate plans to come to the United States in February to present his credentials to President Truman.

THE DEPARTMENT

Appointment of Officers

Durward V. Sandifer as Deputy Director of the Office of United Nations Affairs, effective February 3, 1948.

Violations of Treaty of Peace by Rumania

LETTER FROM THE UNITED STATES MINISTER TO RUMANIA TO THE RUMANIAN MINISTRY OF FOREIGN AFFAIRS

[Released to the press February 4]

Rudolf E. Schoenfeld, United States Minister to Rumania, transmitted the following note to the Rumanian Ministry of Foreign Affairs on Monday, February 2, 1948. Copies of this note, which sets forth violations of the treaty of peace by Rumania, have been communicated to the British and Soviet Chiefs of Mission in Bucharest with a request for their respective comments

The United States, pursuant to the principles for which it stands, in consequence of its undertakings at Yalta with the Union of Soviet Socialist Republics and the United Kingdom, and by virtue of its joint responsibilities with these Powers as a member of the Rumanian Armistice Commission, has striven constantly since the withdrawal of Rumania from the war against the Allies to assist the Rumanian people in obtaining a broadly representative and responsive Government which would secure for them their basic rights and fundamental freedoms.

The United States together with the Union of Soviet Socialist Republics and United Kingdom agreed at the Moscow Conference of Foreign Ministers in December 1945 to assist in a broadening of the Rumanian Government and in obtaining guarantees of such civil liberties. In January 1946, in compliance with the Moscow Agreement, representatives of the National Peasant and National Liberal Parties were included in the Rumanian Government. The Rumanian Council of Ministers thereupon made a solemn written declaration that free general elections would be held in the shortest possible time, on the basis of universal suffrage and secret ballot, in which all democratic and anti-Fascist parties would have a right to participate and to present candidates. Likewise, the declaration of the Rumanian Government pledged that freedom of the press, speech, religion and assembly would be assured. In an oral amplification of this declaration, the President of the Rumanian Council of Ministers, Petru Groza, made explicit the application of these assurances to all the parties represented in the reorganized Government, thereby acknowledging the National Peasant Party headed by Mr. Iuliu Maniu, the National Liberal Party led by Mr. Constantin Bratianu, and the

Social Democratic Party under the direction of Mr. Constantin Petrescu as democratic and anti-Fascist.

The Rumanian Premier also gave explicit assurances that these parties would be entitled (1) to participate in the elections and to put forward candidates, (2) to have representatives present for the examination of the balloting procedure and the counting of the ballots, (3) to be accorded equitable broadcasting facilities for the presentation of their political views, (4) to have equal opportunity to print and distribute their own newspapers and political publications and to obtain newsprint on a fair and equitable basis, (5) to organize associations, to hold meetings and to be allowed premises for this purpose, and (6) to be consulted by the Council of Ministers in order to reach agreement concerning the assured freedoms of press and speech as well as on the drafting of an electoral law and on the conduct of the elections.

However, notwithstanding the categorical nature of these international commitments the Rumanian Government undertook virtually at once to subvert them, and throughout 1946 steadily violated their spirit and letter. All manner of chicanery, and extreme physical violence was employed by or with the consent of the Rumanian Government to reduce the legitimate political activity of any elements not subservient to the controlling minority. Every one of the assurances given was either ignored or sabotaged. The representatives of the Peasant and Liberal Parties were effectively excluded from decisions of the Government and from any real voice in the preparation of the elections. Broadcasting facilities were wholly denied to all but the minority Government bloc. Through the inequitable distribution of newsprint, the denial of freedom to print, publish and distribute and by various other artifices and official censorship, the legitimate opposition press was relegated to a point of virtual extinction. Party meetings of the opposition were prevented by violence. Government officials, employing compulsion and forgery, wrested the control of the Social Democratic Party from the majority of its members.

During nine months which preceded the general elections, numerous eligible candidates were disbarred from participation and large sections of the

rightful electorate were disenfranchised. The balloting in the election was accompanied by intimidation, by preventing voters from reaching the polls, by multiple voting, by denying legitimate opposition representatives their assured right to be present at the counting, and by distortion of the final returns.

The concern of the United States Government over violations of the explicit assurances of civil and political liberties, which had been given by the Rumanian Government in an international commitment, was called to that Government's attention in notes of May 27, June 14, October 28, and November 15, 1946. To these representations, the Rumanian Government failed to make satisfactory reply. Following the elections on November 19, 1946, the United States Government declared that, in view of the evident abuses which had effectively denied the franchise to important sections of the Rumanian population, it could not regard those elections as a compliance by the Rumanian Government with the assurances it gave to the Governments of the United States, the United Kingdom, and the Union of Soviet Socialist Republics in implementation of the Moscow Decision.

In February 1947, the Rumanian Government signed a Treaty of Peace with representatives of the Allied and Associated Powers which, under Article 3, obligated Rumania to take all measures necessary to secure to all persons under Rumanian jurisdiction the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.¹

Despite this development, in the spring and summer following its signature of this Treaty, the Rumanian Government, through its police authorities, intensified its systematic and brutal campaign to eliminate all political opposition. Nation-wide manhunts were conducted on a mass scale resulting in the arbitrary arrest and incarceration of thousands of opposition and non-party persons.

The United States protested, in a note of June 24, 1947, these actions, taken by the Rumanian Government in anticipation of the coming-into-force of the Treaty, which were prejudicial to the fulfillment of the Treaty provisions and which effectively nullified the Rumanian Government's execution of its undertakings with respect thereto. Again, the response of the Rumanian Government was evasive of its responsibilities and the campaign did not cease. On the contrary, additional arbitrary actions were perpetrated in the guise of measures of public security, including, in July, the arrest of Mr. Iuliu Maniu and other National Peasant leaders.

The United States renewed its representations on August 5, and on August 6 issued a public statement, referring particularly to Mr. Maniu, whose

devotion to democratic ideals over a period of many years and whose struggle for civil liberties in Rumania are well known.

Reports reaching the United States Government over a period of several months demonstrated convincingly that the political prisoners apprehended as a result of the mass arrests in Rumania were being subjected by the Rumanian authorities not only to physical conditions of starvation and disease but in some instances to methods designed to extract "confessions" in anticipation of forthcoming trials. The United States Government in a public statement on August 15, 1947² took note of this inhuman treatment of Rumanian political prisoners and the methods employed to predetermine their conviction—methods which had already been clearly revealed by the Rumanian mass trials of allegedly subversive organizations which had taken place in November 1946.

On September 15, 1947 the Treaty of Peace with Rumania came into force with its consequent obligation upon the Rumanian Government to secure the specified rights and freedoms to all people under its jurisdiction. Nevertheless, in October and November 1947, the Rumanian authorities tried, convicted and sentenced for treason Mr. Iuliu Maniu and other members of the National Peasant Party of Rumania. The transparent political motivation of this "judicial process" was manifest. The recent threats by the Rumanian authorities against the National Liberal and Independent Socialist Parties, which have been reduced to impotence, give further evidence of the Rumanian Government's intent to wipe out the last vestiges of democratic opposition in Rumania.

By its actions over a period of almost three years since March 1945, the Rumanian Government placed the legitimate and patriotic opposition elements in Rumania in a position of seeming to constitute a clandestine, subversive movement. Activities on their part to bring about, through constitutional means, a democratic alteration in the Government of Rumania so that it might be broadly representative of the Rumanian people were construed as subversive and treasonable. Associations or communications about Rumanian conditions with two of the Powers which had rights and responsibilities in Rumania by virtue of the Yalta, Potsdam, and Moscow Agreements, the Rumanian Armistice and the Rumanian Peace treaty, were made to appear as conspiracy.

The trial of Mr. Maniu and his co-defendants, which was concluded on November 11, 1947, itself was specifically prejudiced in the following respects which, by generally recognized standards of civilized procedure, precluded the free exercise of justice:

¹ TIAS 1649 (Department of State publication 2969).

² BULLETIN of Aug. 17, 1947, p. 329.

1) The possibility of an impartial trial was excluded by the appointment of a presiding judge known to be thoroughly compromised by improper acts as a military judge during the recent war and lacking in judicial integrity.

2) The defendants were effectively deprived of their right to be represented by counsel of their own choice which, except for intimidation, might have been available.

3) defense of the accused by the appointed counsel was inadequate, despite an apparently spirited summation in the single instance of Maniu.

4) Excessive restrictions were placed upon the preparation of the defense, on the testimony of the defendants and on the interrogation of state witnesses by or for the defendants.

5) A violent campaign of excitation against the defendants was conducted before and during the trial through the officially controlled press, labor, professional and Government organizations,

which not only had the effect of intimidating witnesses and influencing the judges but which also by its scope and nature revealed that it was inspired, directed and assisted by the Rumanian Government for the evident purpose of supporting a pre-arranged verdict.

Aside from the lack of validity of a trial carried out under such conditions, the prosecution failed to substantiate the charges of treasonable activities, upon which the defendants were found guilty, by evidence other than that of highly questionable "confessions" which had been drawn from certain defendants following their arrest.

The United States Government considers it necessary to state that in its view the actions of the Rumanian Government recited in this note make it clear that there have not existed, and do not now exist in Rumania those human rights and fundamental freedoms which the Rumanian Government is obligated by the Treaty of Peace to secure to all persons under its jurisdiction.

Visits of U. S. Naval Vessels to Italian Ports

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND THE U.S.S.R.

[Released to the press February 21

January 28, 1948.

SIR:

In recent months the Italian press has repeatedly reported the presence of naval vessels of the United States of America in the ports of Taranto, Leghorn, Genoa, Spezia, Venice, and Naples. In January 1948 reports also appeared in the American and Italian press that the military authorities of the U.S.A. dispatched on these vessels sizable units of American Marines. These reports were later confirmed by statements of official representatives of the Government and Military Command of the U.S.A., according to which units of American Marines were dispatched on naval vessels of the U.S.A. in the Mediterranean Sea allegedly for the purpose of conducting training exercises.

According to information at the disposal of the Soviet Government, the reports mentioned by the foreign press concerning the presence of naval vessels of the U.S.A. in Italian ports and in the territorial waters of Italy correspond to the facts.

Whereas, under Paragraph 1, Article 73, of the Treaty of Peace with Italy, all armed forces of

the Allied and Associated Powers should have been withdrawn from Italy by December 15, 1947, the continued presence of the naval forces of the U.S.A. in Italian ports and in the territorial waters of Italy after this date constitutes a violation of the reference provision of the Treaty of Peace and should not take place. The Soviet Government expects that the Government of the U.S.A. will adopt measures without delay toward the elimination of the reference violation of the Treaty of Peace.

The Soviet Government is forwarding simultaneously to the French Government a copy of the present note with the request that it bring it to the attention of the Allied and Associated Powers which signed the Treaty of Peace with Italy.

A. PANYUSHKIN

Ambassador of the USSR to the USA

The Secretary of State,
GEORGE C. MARSHALL,
Department of State,
Washington.

January 30, 1948.

EXCELLENCY:

I have the honor to refer to Your Excellency's note No. 14 of January 28, 1948 with reference to the occasional visits to Italian ports of vessels of the United States Navy and of the presence on board of units of United States Marines. You have stated that the presence of United States naval forces in Italian ports and in territorial waters of Italy after December 15, 1947 constitutes a violation of Paragraph 1, Article 73 of the Treaty of Peace with Italy and that the Soviet Government expects the Government of the United States to adopt measures without delay to eliminate this alleged violation of the Treaty of Peace.

I must request you to inform your Government the visits of United States naval vessels to Italian ports and their presence in Italian territorial waters have been arranged in strict accord with the comity of nations in which it is customary for sovereign states to grant the privilege of visits to naval vessels and personnel of friendly foreign powers. On all occasions when United States naval vessels have visited Italian ports the Italian Government has been requested in advance to grant the necessary permission and such permission has in each case been granted prior to the entrance of the vessels into territorial waters of Italy. The larger of these vessels carry United States Marines as a part of their normal ship's complement. Such visits have been an indication of the sincere good will and friendship which exists between the peoples and Governments of the United States and Italy and can in no way be correctly construed as being in violation of the stated provision of the Treaty which has reference to the withdrawal of armed forces.

Accordingly, the Government of the United States must reject as without foundation the protest of the Soviet Government in this matter.

For the Secretary of State:

ROBERT A. LOVETT

His Excellency

ALEXANDER SEMENOVICH PANYUSHKIN,
*Ambassador of the
Union of Soviet Socialist Republics.*

**Treaty of Friendship, Commerce, and
Navigation With Italy Signed**

[Released to the press February 2]

A treaty of friendship, commerce, and navigation between the United States and Italy was signed on February 2 in Rome. Ambassador Dunn signed for this Government and Count Carlo Sforza, Minister of Foreign Affairs, for the Italian Republic.

February 15, 1948

This is the first comprehensive commercial treaty concluded by the United States with a European country since 1934, and the first treaty of its type signed by Italy since the conclusion of peace. It replaces the treaty of commerce and navigation concluded with Italy in 1871, following the unification of that country. The former treaty was terminated December 15, 1937, by mutual agreement, but efforts to work out a more modern and comprehensive treaty at that time proved unsuccessful.

The treaty, which is based in general upon the principle of mutuality, establishes standards to govern relations between the two countries in many fields of activity. It includes articles relating to the status and activities of persons and corporations, protection of persons and property, landholding, freedom of information, treatment of vessels, commercial principles comparable to those in the proposed charter for an International Trade Organization, and provisions concerning such matters as exchange control, transit, industrial property, et cetera.

Preliminary conversations on the treaty were held in the Department with the Italian Financial and Economic Delegation, which was headed by Mr. Lombardo, in May and June of 1947, while formal negotiations were opened in Rome on September 16.

For the text of the treaty, see Department of State press release 77 of February 2, 1948.

Indictment of Dimiter Gitchev in Bulgaria

[Released to the press February 6]

In response to press inquiry concerning reports from Sofia in respect to forthcoming trial of Dimiter Gitchev, the Department of State made the following comment

The Department has received reports from the American Legation at Sofia concerning the indictment, calling for the death penalty or life imprisonment which has been brought against Dimiter Gitchev, prominent Agrarian opposition leader. Mr. Gitchev has a long and impressive record as a defender of democratic principles in Bulgaria.

Viewed against the background of the present Bulgarian regime's past and current record and recent statements by Bulgarian officials, the charges against Mr. Gitchev and the preparation for his trial, resemble so closely the case of Nikola Petkov as to suggest strongly the Bulgarian Government's intention again to disregard its treaty obligations with respect to securing to its citizens the most basic human rights.

Use of Mellaha Airfield by the U.S. Air Force

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND THE U.S.S.R.

[Released to the press February 3]

January 21, 1948.

SIR:

Upon instructions of the Soviet Government I have the honor to communicate to you as follows.

In recent days reports were published in the press of Great Britain and the U.S.A. to the effect that the Government of Great Britain agreed to place at the disposal of the Government of the United States an air base at Mellaha, Tripolitania. These reports were confirmed on January 14 of this year by official representatives of the Ministry of Foreign Affairs of Great Britain and of the Department of State of the U.S.A.

The Soviet Government calls your attention to the fact that the conclusion of a separate Anglo-American agreement on the creation of a military air base of the United States in a former Italian colony under provisional British administration contradicts the peace treaty with Italy and in particular Annex XI to the treaty entitled "Joint Declaration of the Governments of the Soviet Union, the United Kingdom, the United States of America and France Concerning Italian Territorial Possessions in Africa", on the strength of which the Soviet Government can not recognize the agreement mentioned as having legal force.

Accept [etc.]

A. PANYUSHKIN

Ambassador of the USSR to the USA

The Acting Secretary of State,

MR. ROBERT A. LOVETT

Department of State, Washington, D.C.

February 3, 1948.

EXCELLENCY:

I have the honor to refer to your Excellency's Note No. 13 of January 21, 1948 regarding the airfield at Mellaha, Tripolitania.

The Government of the United States wishes to point out that the continuation of the arrangement with regard to the use of Mellaha Airfield by the United States Air Force for communications purposes extends only for the period during which the present administration remains responsible for the territory. In the circumstances, the Government

of the United States does not consider that such an arrangement is in any way inconsistent with the provisions of Annex XI or any provision of the Treaty of Peace with Italy.

Accept [etc.]

ROBERT A. LOVETT

His Excellency

ALEXANDER SEMENOVICH PANYUSHKIN,
*Ambassador of the Union of
Soviet Socialist Republics.*

Air Agreements Signed

Air Transport Agreement With Italy

[Released to the press February 6]

The Department of State announced on February 6 the conclusion of a bilateral air-transport agreement between the United States of America and Italy which was signed in Rome on February 6, 1948, at 12 noon by duly appointed representatives of the respective Governments.

The agreement closely adheres to the so-called Bermuda principles incorporated in the agreement consummated by the United States and the United Kingdom at Bermuda on February 11, 1946,¹ and provides for the exchange of full fifth-freedom rights by designated air carriers of the two countries. It is the twenty-third formal bilateral air-transport agreement signed by the United States in accordance with the Bermuda pattern which, since its inception, has been widely accepted as the most satisfactory formula for the orderly development of international civil aviation based upon reciprocal rights and the broadest possible freedom consistent with national security and sound economic principles.

The agreement further signifies the desire of Italy to take its place in the ranks of countries which recognize the importance of the fullest development of international civil aviation and to contribute, through its international airlines, to the creation and preservation of friendship and understanding among the nations and peoples of the world.

The text of the agreement will be released in full at a later date.

¹ BULLETIN of Apr. 7, 1946, p. 587.

Air Transit Agreement With Portugal

[Released to the press February 3]

An agreement was concluded on February 2 in Lisbon as a result of negotiations between the Portuguese Minister for Foreign Affairs, Dr. José Caeiro da Mata, and United States Ambassador John C. Wiley on the continuation for a limited period of time of the facilities for transit of American military aircraft through Lagens Airfield in the Azores. The new agreement grants substantially the same facilities as are contained in the agreement of May 30, 1946.¹

Decision That Horses From Hungary Remain Property of the United States Army

[Released to the press January 31]

The Department of State released on January 31 the text of a letter to Senator Chan Gurney, Chairman of the Armed Services Committee, concerning horses claimed by the Hungarian Government. The Department decided several days ago that, for the reasons set forth in the letter, these horses should not be returned to Hungary, but retained by the Army as property of the United States.

Approximately 120 horses, claimed by the Hungarian Government, were taken in Germany during the closing days of the war and subsequently brought to the United States by the Army.

The text of the letter to Senator Gurney follows:

Status of Release of Prisoners of War From French, British, and Soviet Governments

[Released to the press January 30]

The International Committee of the Red Cross, with headquarters at Geneva, Switzerland, addressed an appeal on November 28, 1947, to all governments and Red Cross societies, urging the repatriation of all prisoners of war. The following is quoted from the reply sent to the Committee by the Department of State on behalf of the United States Government:

"This Government favors the early repatriation of all enemy prisoners of war wherever they may be held and has on all appropriate occasions urged the return of these men to their homes at the earliest practicable time. The United States Government for its part has completed the repatriation of enemy prisoners of war under the direct control of the American authorities.

"With respect to German prisoners of war captured by American forces and subsequently trans-

DEAR SENATOR GURNEY:

I refer to your letter of January 14, 1948 requesting that the Committee on Armed Services be informed of further steps which the Department of State contemplates taking with respect to the horses claimed by the Hungarian Government.

The Department of State and the Department of the Army have agreed that the horses in question will not be returned to Hungary but will be retained by the Army as property of the United States. The two Departments concur in the conclusion of the Committee that this Government has a legal right to retain the horses. The desirability of so doing for reasons of national interest has been brought out by new evidence adduced at the hearings of your Subcommittee. This result has adequate basis in Article 32 of the Treaty of Peace with Hungary, by which Hungary waived all claims against the United States arising out of the purported exercise of belligerent rights.

I am glad that the Department of State is able to reach a conclusion on this subject compatible with the views of the Committee on Armed Services, and I wish to state that the Department appreciates the courtesy with which the hearings were conducted by the Chairman of the Subcommittee, Senator Morse.

Sincerely yours,

ROBERT A. LOVETT
Under Secretary of State

The Department of the Army has written a similar letter to Senator Gurney indicating its agreement with this decision.

ferred to other Governments, namely, France, Belgium, and Luxembourg, this Government, as the Committee is aware, has assumed an active and continuing interest in their repatriation. As a result of an approach made by this Government early in December 1946 to the three Governments concerned, all such prisoners of war transferred to Luxembourg and Belgium have been released, and in France substantial numbers have been released and repatriated under the agreed program which has been in operation since last March. As the Committee was accorded special status in supervising the repatriation program in the latter country, I know that you are fully aware of the progress which has been made, as well as the practical difficulties which have been encountered in implementing the program.

"It is my sincere hope that all Governments still

¹ Not printed.

holding prisoners of war will find it possible to act favorably on the Committee's humanitarian appeal."¹

The agreement with the French Government referred to above provided for the release of these men by two means: (1) repatriation at the rate of 20,000 a month and (2) release in France as free workers of those voluntarily choosing to remain. The program initiated by this agreement was made applicable to all German prisoners of war in French custody, including those captured by French forces as well as those transferred by this Government. Information just received in the Department from official French sources indicates that the number of German prisoners of war in French custody, as of January 1, has been reduced to 301,440. Between March 14 and December 31, 1947, a total of 278,006 were released from prisoner-of-war status. Of the total number released during this period 181,645 were repatriated while 96,361 were transferred to free-worker status. In this latter category there are an additional 43,700 now being processed for release. Some reduction in the total number held has also occurred as a result of escapes. The minimum rate of repatriation has been increased to 25,000 per month.

The Department of State, through the American Embassy at Paris, is maintaining an active interest in this matter and will continue to do so

until the program has been completed. The Department of State, however, cannot undertake to forward to the French authorities inquiries concerning the status and expected date of release of individual prisoners of war. Inquiries of this nature should be addressed by interested persons in this country to the Direction Générale des Prisonniers de Guerre de l'Axe, 51 Boulevard de la Tour Maubourg, Paris VII, France.

Individuals interested in obtaining information concerning prisoners of war held by the British authorities may address inquiries to the Controller, Prisoner of War Information Bureau, Hotel Victoria, Northumberland Avenue, London W.C. 2, England. The Department understands that British plans with respect to the release of German prisoners of war anticipate completion of the operation well before the end of this year.

The Soviet authorities have indicated that inquiries from persons in the United States concerning prisoners of war held in the Soviet Union can be accepted and acted upon only if transmitted through Red Cross channels. The American Red Cross is prepared to receive and to transmit such inquiries to the Alliance of Red Cross and Red Crescent Societies of the Soviet Union. Interested persons in this country are advised to communicate with their local chapters of the American Red Cross for further information regarding this service.

American Ambassador to Venezuela to Attend Inauguration of Venezuelan President-Elect

[Released to the press February 2]

The Government of the United States of Venezuela has invited this Government to be specially represented at the inauguration ceremonies of the President-elect of Venezuela, Señor Don Rómulo Gallegos, which will be held at Caracas February 13 to 18. The inauguration will be on February 15.

The President has designated Walter J. Donnelly, the American Ambassador to Venezuela, as his personal representative with the rank of special Ambassador to the inauguration of President-elect Gallegos. Ambassador Donnelly will be accompanied, as members of the United States Delegation, by Archibald MacLeish with the rank of Minister; Lt. Gen. Willis D. Crittenger, Commanding General of the Caribbean Defense Command; Vice Adm. Daniel E. Barbey, Commandant, Tenth U.S. Naval District; John Willard Carriagan, First Secretary of the American Embassy at

Caracas; Captain Henry J. Armstrong, Jr., Naval Attaché; and Lt. Col. Frank P. Bender, Military Air Attaché, American Embassy, Caracas.

The United States Government will send the aircraft carrier the U.S.S. *Saipan* and the destroyer the U.S.S. *Witek*.

The Department of State has learned with pleasure that Jesús T. Piñero, Governor of Puerto Rico, has been especially invited to the inauguration by the Government of Venezuela and will take part in the ceremonies.

Luxembourg and Denmark: Time Extended for Renewing Trade-Mark Registrations

The extension until June 30, 1948, of time for renewing trade-mark registrations with respect to Luxembourg was granted by the President in Proclamation 2766 (13 *Federal Register* 319) on January 21, 1948, and to Denmark by Proclamation 2768 (13 *Federal Register* 431) on January 30, 1948.

¹ Signed by Robert A. Lovett on behalf of the United States Government.

American Position in Iran

REMARKS BY GEORGE V. ALLEN¹

American Ambassador to Iran

I am particularly appreciative of the courtesy extended to me this evening by the distinguished members of the Iranian press. A free press is indispensable for the maintenance of democracy, since every totalitarian regime that I know anything about began by suppressing the opposition.

I had hoped to be able in this last meeting with you to confine my remarks to the subject of your great profession and to the field of cultural and educational exchange in which I shall be engaged upon my return to Washington. However the information carried during the past two days in the Iranian press concerning a communication which the Iranian Government has received alleging improper activities on the part of American advisers in Iran makes it impossible for me to remain silent on this subject.

This communication as reported in the press seems an obvious attempt to exert influence on a matter now before the Iranian Majlis. Even if the allegations in the note were true, its delivery at this moment would constitute improper interference in the internal affairs of Iran and therefore be contrary to the dignity and independence of Iran as an equal member of the United Nations. But what makes the communication more objectionable in my view is that it includes not only misstatements of fact from start to finish but closes with an implied threat.

First and foremost, I wish to make entirely clear once more the attitude of the American Government with regard to American advisers here. We have frequently informed the Iranian Government during the past two years that American advisers in Iran will not remain here one minute longer than the Iranian Government feels they are able to perform a useful function in assisting Iran. The Iranian Government will experience no difficulty whatever in terminating the services of every one of the American advisers whenever they are no longer desired. The contracts providing for the two American military missions here are each cancelable on one month's notice by either party. The decision rests entirely in the hands of Iran.

I should also like to make our position unmistakably clear with regard to the proposed purchase of military supplies from the United States. The United States has no desire whatever to influence Iran concerning the manner in which it will spend its available funds. The funds are yours, and you must determine how you wish to allot them—whether for military supplies, farm machinery, schoolbooks, or anything else you need.

We are interested in two things. In the first place, we hope that Iran will spend what funds it has to the best possible advantage for Iran itself, because we are anxious for Iran to become strong and to remain independent. Our second and more important interest is that Iran should remain entirely free to make its own choice in this matter, unhampered by threats and menaces.

I recognize fully that an entirely honest division of opinion may exist among Iranians both as regards what military supplies you need and whether you desire American advisers. Whatever your decision may be, it will not affect in any way the friendly relations between Iran and the United States.

The communication which your Government has just received disturbs the calm atmosphere in which you will need to consider these important questions. I am confident that no self-respecting and patriotic Iranian will be deterred by this communication from doing his duty as he considers best. The allegations in the note are so clearly false that they do not require consideration in detail. I would merely ask: where are the plans for an American airport at Qum, where are the American storage tanks in southern Iran, the barracks being prepared for American troops, or any other of the things alleged in the note?

I am reminded in this connection that history repeats itself. There is considerable essential similarity between the present communication which your Government has received and one which was delivered to you in 1912 when Morgan Shuster was exerting every effort to assist Iran to become strong and independent of foreign domination. Fortunately, however, the world situation is vastly different today from what it was in 1912. Iran and all other independent countries of the world today are bound together in a world organization based on equality and respect for their sovereign independence. The entire structure of the United Nations is built on the principle that no nation shall any longer have to stand alone as Iran did when it received the 1912 note.

I regret sincerely the injection of foreign interference in the question now before the Majlis, and I hope the deputies will consider the matter with appropriate calmness and dignity. The only important consideration is that the decision, whatever it may be, should be a free Iranian decision.

¹ Delivered before the Tehran Press Club in Tehran on Feb. 4 and released to the press in Washington on Feb. 5, 1948.

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Contributors

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RULES FOR ACCOUNTING FOR GERMAN ASSETS IN COUNTRIES MEMBERS OF THE INTER-ALLIED REPARATION AGENCY

By James Simsarian

Agreement was reached at the Inter-Allied Reparation Agency in Brussels on November 21, 1947, with respect to the German assets in the countries members of this Agency¹ which should be accounted for by them as German reparations under article 6A of the Paris reparation agreement.² Article 6A of the Paris agreement provides that each IARA country shall "hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets" net of certain deductions permitted. This provision stems from the decision made at Potsdam that "appropriate German external assets" should be one of the sources for reparations from Germany.

Rules relating to the German assets which should be accounted for by IARA countries were drafted and recommended by the Committee of Experts on Enemy Property Custodianship of the Inter-Allied Reparation Agency as the result of meetings of the Committee in October 1946 and from July 3, 1947, to September 13, 1947. The rules recom-

mended by the Committee of Experts were changed in only minor respects by the IARA Committee on German External Assets and adopted by the Assembly of IARA on November 21, 1947.³

The accounting rules are divided into eight parts. Part I of the rules defines Germany as the territory within the boundaries of that country as of December 31, 1937.

Under part II of the rules, each IARA country must, as a minimum, account for all assets within its jurisdiction which on January 24, 1946 (the date of the coming into force of the Paris reparation agreement), were owned by any of the following, subject to certain exceptions provided in other parts of the rules:

1. The German state, Government, municipal and other public authorities and organizations, and the German Nazi Party;
2. An individual who had German nationality on January 24, 1946, and who on that date was physically inside Germany or had his residence in Germany;
3. An individual who, as a German national,

¹The 18 countries members of the Inter-Allied Reparation Agency are Albania, Australia, Belgium, Canada, Czechoslovakia, Denmark, Egypt, France, Greece, India, Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, United Kingdom, United States, and Yugoslavia. Russell H. Dorr is U.S. Minister and Delegate to the Inter-Allied Reparation Agency.

²For the text of the Paris reparation agreement of Jan. 24, 1946, see *Treaties and Other International Acts Series 1655*.

³The proposal of the Committee of Experts that the rules adopted relate solely to the question of what German assets should be accounted for and not to the question of what are or are not "German enemy assets" under the Paris reparation agreement was accepted by the Assembly

of IARA. It was agreed that the latter question would be considered separately at another time if necessary. Accordingly, the adoption of these rules does not necessitate any change in the provisions of the U.S. Trading with the Enemy Act. Approval was given by the IARA Assembly to the explanation that the rules are designed to present an expeditious arrangement for accounting for German assets in IARA countries under the Paris reparation agreement and are without prejudice to any other issues which may arise between countries.

It was also decided by the IARA Assembly that separate consideration will be given at IARA to accounting problems relating to German railway rolling stock and other means of transport and that in the meanwhile the accounting rules adopted Nov. 21, 1947, would not be applicable to these assets.

has been compulsorily repatriated to Germany since January 24, 1946, or is intended to be compulsorily repatriated to Germany;

4. A corporation organized in Germany. If, however, there are non-German interests in the corporation, an IARA country need not account for assets of the corporation to the extent that the assets proportionate to the non-German interests in the corporation are released to the non-German interests. This provision is consistent with part IV of the agreement relating to the resolution of conflicting claims to German enemy assets, which was recently signed in Brussels by Belgium, Canada, the Netherlands, and the United States.⁴

In addition to the above minimum to be accounted for, each IARA country must also account for all assets within its jurisdiction which have been seized because of a German interest in the assets and are not intended to be released, provided that:

1. These assets were owned directly or indirectly on January 24, 1946, by an individual other than those described above who had German nationality, or by a corporation in which there has been a German interest, at any time between the date on which the IARA country was occupied or annexed by or entered World War II against Germany and January 24, 1946; or

2. The assets were owned directly or indirectly by an individual of German nationality who died before January 24, 1946.

Accordingly, in general, although an IARA country must account for assets in its country owned by all Germans residing in Germany, the IARA country need not account for the assets of a German residing outside Germany unless the IARA country seizes and does not intend to release the assets of such a German. The term "seized" is

⁴ For text of this agreement see BULLETIN of Jan. 4, 1948, p. 6. The agreement was signed on Dec. 5, 1947, by Canada, the Netherlands, and the United States, and on Jan. 5, 1948, by Belgium. The agreement was signed on behalf of the United States subject to the approval of Congress. It has not as yet come into force.

Under part IV of the agreement, if nonenemy nationals of parties to the agreement own at least 25 percent of the shares in or control the corporation organized in Germany, the assets in the IARA country of the corporation will be released to the extent of the interests in the corporation of all nonenemy nationals of parties.

⁵ For text of the London patent accord on German-owned patents, see BULLETIN of Aug. 18, 1946, p. 300.

defined in part I of the rules to mean placing under custody, sequestration, blocking, vesting, or confiscation because of a German interest.

As exceptions to the rules provided in part II, part III provides that assets in any of the following categories need not be accounted for if the IARA country does not seize and retain the assets:

1. Patents disposed of or dealt with on the basis of the London patent accord of July 27, 1946,⁵ and trade-marks, designs, and literary and artistic property. Any income or proceeds from such assets must, however, be accounted for.

2. Household goods and limited personal effects which individuals repatriated to Germany are permitted to take with them, and maintenance allowances necessary for the support of such individuals pending their repatriation.

3. Household goods and limited personal effects of diplomatic and consular officials of the German Government.

4. Assets belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes. This is the same language as that used in article 79 of the treaty of peace with Italy of February 10, 1947.

5. Assets of an individual of German nationality who voluntarily entered Germany at the invitation of and to assist any of the Allied governments.

6. Assets of a victim of Nazi persecution who has left Germany or intends to leave Germany within a reasonable time to establish his permanent residence outside Germany.

7. Assets of an individual of German nationality who is also a national, or was formerly a national, of an IARA country and was also formerly a resident of that IARA country, provided he has left Germany or intends to leave Germany within a reasonable time to establish his permanent residence outside Germany.

8. Assets which would provide little or no net value because of the costs involved in their seizure, administration, or sale.

9. Assets in an IARA country owned by a corporation organized under the laws of another country, other than Germany, if the German interest in the corporation is not controlling. This provision was included since it generally is not the practice of countries to seize such assets.

10. Assets in an IARA country owned by a corporation organized under the laws of Germany, in which corporation there are non-German in-

terests, to the extent that the assets proportionate to the non-German interests in the corporation are released to those interests. This provision has already been pointed out above to be a modification of the requirements with respect to the minimum assets to be accounted for by an IARA country.

11. Any other direct or indirect non-German interests in assets which will not be seized and retained by an IARA country.

Application of exceptions 6 and 7 necessitates that it be proved that the individual involved was loyal to the Allied cause, or did not act against the Allied cause, during the war. With respect to exceptions 5, 6, and 7, it also must be proved that the individual involved merits favorable consideration.

Part IV of the rules makes it clear that it is not necessary for IARA countries to account for the assets of Sudeten Germans who have been transferred by Czechoslovakia to Germany since the end of hostilities. Although these individuals are German-speaking, they were in fact Czechoslovak citizens prior to their transfer. It was agreed at the Paris Conference on Reparation that the assets of such persons need not be accounted for, and an article (art. 6D) was included in part I of the Paris reparation agreement for this purpose.

Part V of the rules permits shifts between IARA countries of German assets pursuant to an agreement or arrangement entered into by them to resolve conflicting claims to these assets; this part permits adjustments in the reparation accounts of IARA countries in carrying out the terms of the Brussels agreement or a similar agreement on conflicting claims to German assets.

Assets directly or indirectly looted by Germans during their occupation of IARA countries need not be accounted for by these countries under the provisions of part VI. Full recognition is given to the principles enunciated in the London inter-Allied declaration of January 5, 1943, against acts of dispossession. This declaration, to which 17 United Nations governments⁶ and the French National Committee adhered, reserved "all their rights to declare invalid any transfers of, or dealings with, property, rights and interests of any description whatsoever which are, or have been, situated in the territories which have come under the occupation or control, direct or indirect, of the

governments with which they are at war or which belong or have belonged, to persons, including juridical persons, resident in such territories." It was pointed out in the Declaration that "This warning applies whether such transfers or dealings have taken the form of open looting or plunder, or of transactions apparently legal in form, even when they purport to be voluntarily effected."

Although there were many instances of direct looting by the Germans, when force or duress was applied directly to the owner of an asset, there was a great deal of plundering of the economy of the occupied countries by indirect looting as well. By obliging the occupied countries to accept chronically unfavorable clearing balances between themselves and Germany and by levying exorbitant occupation costs, the Germans obtained almost limitless amounts of purchasing power, which were used to purchase assets without the necessity of intimidating the seller. The seller received payment in local currency and frequently did not know that the assets were sold to a German. Through this process, the exchequer and the national economy of the occupied countries were indirectly looted. The billions of Reichsmarks poured by Germany into the occupied countries in exchange for local currency were, in general, useless to the occupied countries, since imports from Germany for these Reichsmarks were generally unavailable to replace the vast amounts of property purchased in the occupied countries by the Germans.

Accordingly, part VI of the accounting rules adopted by IARA provides in general that an IARA country need not account for any assets acquired by a German after the invasion or annexation of territory of that country by Germany. This rule was adopted because of the widespread character of direct and indirect looting by Germans in the occupied countries. It was agreed, however, that assets brought into an IARA country by a German during the occupation should be accounted for by the IARA country. For example, if assets, such as machinery, were exchanged by a German with a national of the Netherlands dur-

⁶ Union of South Africa, United States, Australia, Belgium, Canada, China, Czechoslovakia, United Kingdom, U.S.S.R., Greece, India, Luxembourg, Netherlands, New Zealand, Norway, Poland, Yugoslavia. For complete text of declaration see BULLETIN of Jan. 9, 1943, p. 21.

ing the occupation of the Netherlands for a house owned by the latter, the Netherlands would account for the value of the machinery as the consideration for the house and not account for the house itself.

Part VII provides that an IARA country may deduct from the value of assets to be accounted for any sum which it has paid or intends to pay in the following categories:

1. Accrued taxes.
2. Liens.
3. Expenses of administration already incurred.
4. *In rem* charges against specific assets.
5. Unsecured legitimate contract claims against the German former owner of assets,⁷ provided that these have been paid or are to be paid in accordance with laws or administrative rules of the IARA country already in force and provided also that the claims are:

(a) Those of nationals or residents of the IARA country within whose jurisdiction the assets are situated;

(b) Filed with the IARA country before January 24, 1949, or within two years after the vesting, sequestration, or confiscation of the assets involved; and

(c) In respect of contracts entered into at the time the creditor was resident in the IARA country.

These provisions relating to deductions conform closely to the language of article 6A of the Paris reparation agreement,⁸ except that the three conditions specified above (a, b, and c) were added to the provision relating to deductions with respect to unsecured legitimate contract claims.

Part VIII provides in general that assets which are under judicial proceedings or are expected to come under judicial proceedings shall be accounted for on the basis of 50 percent of their value until the judicial proceedings are resolved. It did not seem reasonable to require an IARA country to ac-

⁷The following illustrates how the deductions with respect to unsecured legitimate contract claims will be applicable: If "A", a national of an IARA country, is owed an unsecured debt by "B", a German in Germany, and the IARA country vests the assets in that country of "B", the IARA country may deduct for the debt claims of "A" which are satisfied out of the assets of "B", even though "A" does not hold a mortgage or lien against these assets of "B". If the IARA country pays the claim of "A", the IARA country would then account to IARA for the value of "B's" assets, less the claim paid to "A". The IARA coun-

try may deduct for debt claims paid to the creditors of "B" only to the extent of the assets of "B" in the IARA country. The IARA country may not deduct for debt claims of creditors of "B" who are paid from the assets of "C", another German in Germany with assets in the IARA country. Deductions on the basis of the grouping of the assets of different Germans for the payment of debt claims are not permitted.

Since the coming into force of the Paris reparation agreement on January 24, 1946, each IARA country accounts to IARA with respect to the value of German assets within its jurisdiction as of January 24 of each year. With the adoption of the above accounting rules, each IARA country will report the value of the German assets within its jurisdiction in accordance with these rules.

THE CONGRESS

The Foreign Aid Act of 1947 . . . Conference Report, H. Rept. 1161, To accompany S. 1774, 80th Cong., 1st sess. 16 pp. [Department of State, p. 15.]

The European Recovery Program, Basic Documents and Background Information . . . S. Doc. 111, 80th Cong., 1st sess. 211 pp. [Department of State, pp. 73-77.]

Program of United States Support for European Recovery, Message from the President of the United States, transmitting program of United States for European recovery. H. Doc. 478, 80th Cong., 1st sess. 16 pp. [Department of State, p. 14.]

Annual Report, Office of Alien Property Custodian, Fiscal Year Ending June 1946, Message from the President of the United States, transmitting the annual report for the Office of Alien Property Custodian for the fiscal year ending June 30, 1946. H. Doc. 465, 80th Cong., 1st sess. iii, 251 pp.

The State of the Union. Address of the President of the United States . . . January 7, 1948. H. Doc. 493, 80th Cong., 2d sess. 10 pp.

An Act to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to certain foreign countries. Approved December 17, 1947. [S. 1774.] Public Law 389, 80th Cong., 1st sess. 6 pp.

try may deduct for debt claims paid to the creditors of "B" only to the extent of the assets of "B" in the IARA country. The IARA country may not deduct for debt claims of creditors of "B" who are paid from the assets of "C", another German in Germany with assets in the IARA country. Deductions on the basis of the grouping of the assets of different Germans for the payment of debt claims are not permitted.

⁸Article 6A refers to deductions for "accrued taxes, liens, expenses of administration, other *in rem* charges against specific items and legitimate contract claims against the German former owners of such assets."

Survival of Democracy Dependent on Success of ERP

ADDRESS BY GEORGE C. MARSHALL ¹

Secretary of State

The people in the United States face the greatest decision in our history. It will have a profound and far-reaching effect on the whole world. Like all momentous decisions, once made it cannot be altered. There will be no opportunity for a second guess. The vital decision we are now called upon to make with respect to our foreign policy is being made in the American way. But the danger in this procedure is that we become so preoccupied with the details that we lose sight of the great objectives of the European Recovery Program.

So much has been said and printed during the past two months regarding the program that there is confusion in the minds of many people about it. During the hearings before congressional committees, every aspect and detail of the program have been subjected to analysis. Views not only of the members of the Administration, but also a great many private individuals from every walk of life—business, agriculture, and labor—have been heard.

It is necessary that Congress should require justification in complete detail for the amount asked to carry out the program. The discussions have related to work sheets which are the product of months of study by a highly selected group of people in and out of government—industrialists, bankers, economists, and businessmen, as well as the Harriman, Krug, and Nourse committees. But the European Recovery Program is far more than a mere economic transaction. It represents a tremendous effort for constructive leadership. If adopted, it will rank, I think, as one of the great historic undertakings in the annals of world civilization.

Therefore, I shall not discuss the details of the financial, administrative, or economic factors of the program. What I wish to make clear as crystal is the great objective of the program and its rela-

tionship to the future of the world and this country of ours. Make no mistake, the consequences of its success or failure will determine the survival of the kind of a world in which democracy, individual liberty, economic stability, and peace can be maintained.

The United States and the western democracies have been seeking to bring the postwar crisis to an end as quickly as possible. The Soviet Union and their Communist allies have been seeking to exploit the crisis so as to gain a controlling influence over all of Europe.

As I stated on my return from London, I felt that there must be a decided change in the situation before we would have a basis for a genuine settlement with the Soviet Union. I meant that if a stable and healthy western Europe can be realized the Soviet leaders being supreme realists would be much more inclined to reach a settlement on the terms for a peace treaty.

We in this country still have the priceless freedom of a choice in our foreign relations. We can still decide for ourselves what we should do and not have it decided for us by the march of events or by the dictation of others. But, in my opinion, we are quite literally at the crossroads. The decision we must now make will set the course of history for a long time to come and our own destiny for a distant future.

There are two roads the United States can take at this juncture. We can decide that the difficulties and the risks of this program are too great and therefore to do nothing. We can attempt to meet the situation grudgingly by halfhearted and inadequate assistance. This in effect would be the equivalent of doing nothing in so far as the result

¹ Delivered by telephone to the National Farm Institute at Des Moines, Iowa, on Feb. 13, 1948, and released to the press on the same date.

is concerned, but at great expense. But even more tragic than the material effect would be the psychological impact of a default in American leadership. If we take such a decision, I think we must expect to see this very vital area of the world—western Europe, its industrial potential, its skills, and its energy—pass under the same control which is now exercised over the satellite nations of eastern Europe. The process would not be the same in each country. It would be faster in some and slower in others, but the pattern and the end result, I believe, would be the same. Under such conditions free institutions would not long survive on the European Continent.

Even if this process halted at the shores of the Atlantic, its impact would be deplorable upon the areas surrounding the European Continent. Geography alone would mean that the Middle East and the entire Mediterranean area would be directly and similarly affected. The position of the British Isles and the whole structure of the British Commonwealth, which has exerted a profound influence on the stability of the world and world trade, would be critically affected. The Continent of Europe with its vast aggregation of resources, manpower, and industrial potential would eventually pass under the control of a system which is plainly antagonistic to our way of government and of life.

After the complete failure of the Moscow conference, and the developments of the succeeding months, I recognized that this Government was faced with but two choices. It could stand aloof, as I have just explained, from the rapidly approaching debacle in western Europe. Or, this Government in its commanding position of acknowledged leadership in the world could take some positive action to save the situation. The negative procedure of the past which had led us into two terrible wars was no longer tolerable.

But it was clearly apparent that our Government would lack an effective basis for its action unless the countries concerned on their own initiative should pledge themselves to a coordinated, outstanding effort to rebuild their economic situation; therefore, my suggestion on June 5 last and the quick response of the 16 European nations which were willing to take the necessary concerted action.

Every nation in Europe was included in the suggestion. I need not go into the reason why a certain group held aloof. But I must emphasize

the fact that the Communist leaders of this same group declare an intent to wreck the proposed recovery program. I will not take your time to describe the evident method and purpose of that wrecking process.

When we consider the difficulties ordinarily found in composing interstate matters, where all speak the same language, all are ardent Americans, and all operate under the same great Constitution, I believe thoughtful people must concede that the action of the 16 nations in formally coordinating themselves for unity of action, in pledging themselves to waive strong national considerations and traditions in favor of the whole group, was a historical step of first importance towards the making of a peaceful world.

And now there is in progress a further development of this concert of free nations and one of great importance to the future of Europe. On the recent proposal of the British Foreign Minister, Mr. Bevin, they have passed beyond their agreements for economic coordination to the consideration of a western European union. This development has been our great hope.

So I ask that you keep in the forefront of your mind during this welter of debate and discussion over details the great purpose of the European Recovery Program, that you carefully consider what the alternatives are, and weigh those against the tremendous purpose and importance of this program. In considering the contributions we must make to guarantee the success of this program—national expenditures, some shortages or delays in obtaining all the machinery, fertilizers, et cetera, that you may want—I beg of you to weigh these domestic factors against the importance of stabilizing the world situation, restoring a normal development of world trade, terminating the chaos which threatens the peace of the world.

I know all of you are proud to be Americans. I am sure most of you think this country of ours is the greatest, the most powerful in the world, that we lead the way to better things for the working people, the common people, all the people. Now, if that is so, we have a great responsibility; for you cannot be a leader without leading, and the more distressing or dangerous the situation the more necessary it is for the leader to take action. That is what I am asking of this country today.

Estimate Made for Foreign Financial Aid, 1948-1949

LETTER FROM THE AMERICAN AMBASSADOR TO GREAT BRITAIN TO THE CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE

[Released to the press February 6]
February 6, 1948.

MY DEAR SENATOR VANDENBERG :

I am now able to give you an estimate of the total amount for which the Congress may be asked to authorize appropriations for foreign financial assistance to cover the remainder of fiscal year 1948 and fiscal year 1949. The estimate follows and you will note that it contains certain items which are already before the Congress.

	Included in President's Budget of Appropriations	Additions to President's Budget of Appropriations
European Recovery Program	\$6, 800 millions	
Government and Relief in Occupied Areas	1, 400 millions	
Philippine War Damage, Rehabilitation and Veterans Benefits	*133 millions	
Other Foreign Aid (including China)	750 millions (around)	\$250 millions
	\$9, 083 millions	\$250 millions
TOTAL	\$9, 333 millions	

*Appropriation request for fiscal year 1949 authorized by P. L. 370 (79th Congress)

I have indicated that total "Other Foreign Aid" estimated requests for authorizations will be "around" one billion dollars because it is not possible to determine the total of this item with finality at this time. This is due to the fact that the various programs in this category have not been fully cleared and screened in the Executive Branch. The proposed programs included in this

item are China Aid, Greek-Turkish Military Aid, Army Request for Japanese-Korean Reconstruction, Inter-American Military Cooperation and Trieste Aid. Work on the China program has progressed sufficiently so that I can indicate the probable amount of the request for this program at about \$570 million though I should like to emphasize that this does not represent an official request approved by the President. As to the other programs mentioned, I cannot yet give you an estimated breakdown but, as indicated, my best present judgment is that they will total slightly under \$500 million. I shall, of course, be glad to furnish more detailed and definite figures later when I am in a position to do so.

I trust this information will be helpful to you.

Sincerely yours,

LEWIS W. DOUGLAS

Preparation of Draft Bill on ERP Legislation

[Released to the press February 13]

With respect to the request earlier made to us in January for estimates of the dates on which some working draft of the American European Recovery Program legislation would be ready, John D. Hickerson, Director, Office of European Affairs, advised the British and French Ambassadors last Tuesday that the indications were that the hearings in the Senate Foreign Relations Committee were drawing to a close and that it seemed appropriate for them to plan on the basis that a preliminary draft bill, indicating one aspect of congressional thought, might be ready by the end of this month.

Supply and Shipping Goal for \$522,000,000 Foreign Aid Program

The Department of State announced on February 10 a target supply and shipping prospectus for the \$522,000,000 United States foreign aid program to France, Austria, and Italy.¹

The prospectus, outlining a commodity and dollar breakdown of total projected procurement and costs for each country, allots \$284,000,000 to France, \$57,000,000 to Austria, and \$181,000,000 to Italy.

Some adjustments may have to be made within the over-all target amounts as the program progresses.

French Program

The French target program, including partial programs previously approved in amount of \$119,819,000 under dates December 23, January 9, and January 29, is shown in table I.

TABLE I.

Product	Quantity (long tons)	Estimated freight at ship-side cost (\$000)	Estimated shipping cost (\$000)	Estimated freight at ship-side and shipping cost (\$000)
<i>Food</i>				
Cereals	775,673	\$93,792	\$7,782	\$101,574
Fats and oils	¹ 63,636	20,000	(²)	20,000
Dairy products	6,013	3,500	(²)	3,500
Potatoes	35,000	450	525	975
Dried fruit (prunes)	5,000	785	150	935
Dried eggs	200	179	8	187
<i>Coal</i>				
U.S.	3,800,000	40,280	38,000	78,280
Ruhr	1,000,000			16,000
<i>Fertilizers</i>				
U.S.	37,000	2,200	820	3,020
Canada	28,900	1,800	638	2,438
Chile	62,065			2,729
<i>Petroleum products</i>				
U.S.	³ 140,500	5,400	1,705	7,105
Offshore	812,000	15,050	7,770	⁴ 24,895
<i>Miscellaneous</i>				
Pesticides (sulphur)	17,000	340	160	
Cotton and other fibers	28,000	19,500	500	20,000
Medical supplies				1,000
Reserve				862
TOTAL				\$284,000

¹ Final detailed composition of fats and oils program not yet determined, but will not exceed \$20,000,000 in total.

² Freight will be paid by the French Government on a nonreimbursable basis.

³ Subject to adjustment downward after determination of final quantities to come from U.S. sources.

⁴ Includes reserve of \$2,075,000 for petroleum products not yet specified.

Table II is a summary of the program for France recommended in table I, using the commodity categories specified in Public Law 389. The summary includes estimated cost of commodity and of shipping.

TABLE II.

Item	Estimated freight at shipside and shipping cost (\$000)	Percent of total
Feed	\$127,171	44.78
Fuel (coal only)	94,280	33.20
Petroleum and petroleum products	32,000	11.27
Fibers (mostly cotton)	20,000	7.04
Fertilizer	8,187	2.88
Pesticides (sulphur)	500	.18
Medical supplies	1,000	.35
Reserve	862	.30
TOTAL	\$284,000	100.00

In general, the recommended French program covers shipments during the period December 1947 (to the extent such shipments were delivered on and after December 17, 1947, the date of enactment of Public Law 389) through March 1948, except for the cereals allocation for April, which will be shipped in that month.

Other comments on the French program are as follows:

Some measure of the contribution of the food portion of the recommended French program is indicated by the fact that after eliminating the April allocation of cereals the program provides an average of 829 calories a day for a three-month period to each of the estimated 29,500,000 nonfarm population of metropolitan France. The Office of Foreign Agricultural Relations, U.S. Department of Agriculture, estimates that indigenous production will provide approximately 1,300 calories a day for the nonfarm population.

Petroleum products to the maximum extent possible will be procured outside the United States.

¹ Public Law 389, 80th Cong., 1st sess., approved Dec. 17, 1947.

TABLE IV.

Item	Estimated freight at shipside and shipping cost (\$'000)	Percent of total
Food	\$38,418	67.40
Fuel (coal only)	10,290	18.05
Seed	3,901	6.86
Fertilizer	2,000	-3.50
Medical supplies	1,271	2.23
Pesticides	483	.86
Incentive goods	100	.26
Reserve	537	.85
TOTAL	\$57,000	100.00

No aviation gasoline is included. At the present time it may be assumed that the quantities of petroleum and petroleum products to be supplied from the United States are available.

The \$862,000 shown as a reserve is intended principally for additional quantities of dairy products and fats and oils. Some part of the reserve may also be used for incentive goods.

Austrian Program

The Austrian target program, including partial programs previously approved in amount of \$33,399,000 on December 23, 1947, and January 9, 1948, is shown in table III.

TABLE III.

Product	Quantity (long tons)	Estimated freight at shipside cost	Estimated shipping cost	Estimated freight at shipside and shipping cost
<i>Food</i>				
Cereals (wheat equivalent) . . .	148,000	\$17,608,898	\$2,400,790	\$20,009,488
Soya flour	3,000	553,292	69,450	622,742
Rice	4,000	985,600	63,600	1,049,200
Rolled oats	3,000	512,534	112,890	625,424
Beans	16,000	3,957,934	536,160	4,494,094
Lard	3,000	1,948,800	111,960	2,060,760
Peanuts (U. S. surplus)	7,000	2,494,296	190,050	2,684,346
Copra (Philippines)	9,524	3,047,680	285,720	3,333,400
Sugar, raw (Cuba)	17,000	1,533,432	291,650	1,829,982
Prunes (U. S. surplus)	2,500	287,800	92,875	380,675
Raisins (U. S. surplus)	2,500	287,800	92,875	380,675
Eggs, dried (U. S. surplus)	1,000	904,960	41,730	946,690
<i>Coal (offshore)</i>				
Ruhr	501,000	.....	.....	7,014,000
Poland, Czechoslovakia, Saar, and other European	219,000	.....	.....	3,276,000
<i>Fertilizer (offshore)</i>	50,000	.....	.....	2,000,000
<i>Seeds</i>				
U. S.	660	3,212,870	373,500	3,586,370
Offshore	660	.....	.....	314,750
<i>Miscellaneous</i>				
Pesticides	1,864	389,800	93,200	483,000
Medical supplies . . . . .	.....	.....	.....	1,016,000
Fatty acids	300	244,000	11,130	255,130
Agricultural machinery spare parts . . . . .	.....	.....	.....	100,000
Reserve . . . . .	.....	.....	.....	537,274
TOTAL				\$57,000,000

Table IV is a summary of the Austrian program recommended in table III, using the commodity categories specified in Public Law 389. The summary includes estimated cost of commodity and of shipping.

The Austrian program in general covers the same shipment period as the French program, from December 17, 1947, through March 1948, except for the cereals allocation for April, which will be shipped in April 1948.

Other comments on the Austrian program are as follows:

Sugar. The Austrian Government has agreed to accept and process raw sugar in Austria. This action permits supply of an additional amount of sugar, stated by the Austrian Government and the Commanding General, U.S. Forces in Austria, as urgently needed, without increasing the amount of funds required.

Fuel. No coal is being supplied from the United States as Austrian coal requirements can be met from European sources at a lower unit cost. The proposed program covers Ruhr, Saar, and Czechoslovakian coal for January, February, and March, and Polish coal for February, March, and April. April Polish coal must be paid for on or before March 20, 1948.

Petroleum and petroleum products. No petroleum and petroleum products are included in the program. Such products as are required are being purchased by the Austrian Government.

Pesticides. As a result of having secured British agreement to supply the major portion of the required pesticides, anticipated expenditures for these items have been materially reduced.

Incentive goods. The Austrian Government is most desirous of receiving certain agricultural machinery spare parts as "incentive goods". These parts can be secured from bizonal Germany prior to March 31, 1948.

Reserve. This reserve is set up to cover a possible increase in commodity and shipping costs and certain anticipated administrative charges which might be presented by the Department of the Army and for other contingencies.

A cable from the Commanding General, U.S. Forces in Austria, states that 199 billion calories of import food is required for each 28-day ration period to support an 1,800-caloric ration in Austria. As an indication of its importance to Austria, the proposed food program will provide 772 billion calories or approximately the total import food required for four ration periods.

Italian Program

The target program for Italy, including partial programs previously approved for Italy totaling \$93,403,000 under dates of December 23, 1947, January 9, 1948, and January 29, 1948, is shown in table V.

TABLE V.

Product	Estimated quantity (long tons)	Estimated freight at ship-side cost (\$000)	Estimated ship-side cost (\$000)	Estimated freight at ship-side and shipping cost (\$000)
<i>Food</i>				
Cereals	641,000	\$76,393	\$10,749	\$87,142
Soya flour	12,000	2,213	252	2,465
Pulses (beans)	17,500	4,329	671	5,000
Dairy products	6,000	1,900	200	2,100
Dried eggs	1,500	1,344	60	1,404
Rolled oats	6,000	1,035	165	1,200
Macaroni	10,000	2,432	568	3,000
Sugar, raw (Cuba)	28,000	2,661	539	3,200
Potatoes	28,000	364	840	1,204
<i>Coal</i>				
U.S.	1,800,000	18,900	17,100	36,000
Ruhr	500,000	.....	.....	8,000
<i>Petroleum</i>				
Petroleum products, U.S.	23,102	1,850	471	2,321
Offshore	473,683	8,038	4,641	12,679
<i>Fertilizer</i>				
U.S. phosphate rocks	70,000	.....	.....	1,000
<i>Medical supplies.</i>				
Pesticides . . . . .	.....	.....	.....	200
<i>Reserve.</i> . . . . .	.....	.....	.....	12,285
TOTAL . . . . .	.....	.....	.....	181,000

Table VI is a summary of the Italian program recommended in table V, using the commodity categories specified in Public Law 389. The summary includes estimated cost of commodity and of shipping.

TABLE VI.

Product	Estimated freight at ship-side and shipping cost (\$000)	Percent of total
Food	\$106,715	58.96
Coal	44,000	24.31
Petroleum and petroleum products	15,000	8.29
Medical supplies	1,800	0.99
Fertilizer	1,000	.55
Pesticides	200	.11
Reserve	12,285	6.79
TOTAL	\$181,000	100.00

In general, the recommended Italian program covers *shipments* January 1, 1948, through March 1948, with the following exceptions: (a) deliveries in Italy of Ruhr coal and petroleum, oil, and lubricants on and after December 17, 1947, these being items not covered under the United States foreign relief program under Public Law 84; and (b) cereals and possibly coal to be shipped during April 1948.

Other comments on the Italian program are as follows:

Petroleum and petroleum products. Supplies proposed to be shipped from the United States are confined to lubricants. The United States is practically the only source of supply for such products. No aviation gasoline is included in the program.

Fertilizer. A considerably larger program for fertilizer was originally requested by Italy, but the reduction in available funds made it necessary to confine the request to a quantity of phosphate rocks to be shipped from the United States not to exceed \$1,000,000 landed cost.

Medical supplies. The recommended program of \$1,800,000 is primarily for the procurement of streptomycin, penicillin, DDT, and certain miscellaneous products such as insulin, liver extract, and dried plasma.

Reserve. The reserve includes the \$12,000,000 being held pending final decision as to distribution of these funds among several critically needed items, including additional coal, fertilizers, sugar and dairy products, and blister copper used in making pesticides. The balance of the reserve is held for possible use in an incentive-goods program or for other contingencies.

Some measure of the contribution of the food

portion of the recommended program is indicated by the fact that after eliminating the April allocation of cereals the program provides approximately 600 to 650 calories a day for a three-month period to each of the estimated 35,000,000 non-producers. It is estimated that indigenous production will provide approximately 1,300 to 1,400 calories a day, including wine for nonproducers.

Statement on Incentive Goods Programs

The State Department is now considering incentive-goods programs of a very limited nature

to be carried out in Austria, France, and Italy as authorized under the interim-aid legislation. Because of the reduction of \$75,000,000 made by Congress in the administration's request for \$597,000,000 for interim aid, most of the \$522,000,000 finally appropriated must be used for essential fuel and food items to these three countries, and only a small amount can be made available to carry out incentive-goods programs. Plans for small incentive-goods programs in these three countries under the interim-aid legislation should be completed within the next two weeks.

Chinese Aid Program Supply and Shipping Target

[Released to the press February 13]

The Department of State announced on February 13 a target supply and shipping prospectus for the \$18,000,000 China aid program as appropriated under Public Law 393 of December 28, 1947.

A partial program of \$6,041,000 approved on February 3, 1948, as part of the total \$18,000,000 program, is included in the prospectus, which is as follows:

Product	Quantity (long tons)	Freight at ship-side cost (\$000)	Estimated shipping cost (\$000)	Estimated freight at ship-side and shipping cost (\$000)
Wheat (U.S.)	18,600	\$1,979	\$303	\$2,282
Rice (U.S.)	47,752	11,884	1,203	13,087
Hybrid seed corn	2,000	381	50	431
Pesticides . . . . .	.....	.....	.....	200
Medical supplies . . . . .	.....	.....	.....	1,000
Reserve . . . . .	.....	.....	.....	1,000
TOTAL . . . . .	.....	.....	.....	\$18,000

As in the case of the earlier China program (Public Law 84) it is recommended that a major part of the available funds be used for the procurement of wheat and rice. The \$2,282,000 for

wheat represents the February and March allocations to China.

The approximately 48,000 long tons of rice from the United States covers about 84 percent of the allocation of 57,085 long tons of United States rice to China for the first six months of 1948.

Hybrid seed corn was requested by the aid mission in China because of its usefulness in certain famine and flooded areas in producing heavy yields of corn to be used as food. It was stated that 2,000 tons of hybrid seed could be distributed to farmers for growing 500,000 acres of corn.

The requirements for pesticides as originally submitted by our mission were considered excessive in view of the distribution problem involved and were reduced by about two thirds.

The \$1,000,000 for medical supplies will in considerable part be used to supplement the \$4,000,000 already programmed for this purpose under Public Law 84. The \$4,000,000 is not sufficient to complete procurement of the China medical program as submitted without some additional funds. Any unexpended balance will be used either for the purchase of medical supplies in addition to those already programmed or for the purchase of more rice.

The \$1,000,000 balance is being held in reserve pending final decision as to amounts of petroleum and Diesel oil needed for use in transporting relief supplies.

Status of German Reparation and Dismantling Program ¹

LETTER FROM THE SECRETARY OF STATE TO THE CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE

Text of a letter to Senator Arthur H. Vandenberg from Secretary George C. Marshall regarding the German reparation program, and the Department's memorandum on the subject

February 4, 1948

DEAR SENATOR VANDENBERG:

You will recall that during December you indicated the intention of going fully into the German reparation and dismantling program in connection with the consideration of the European Recovery Program by the Senate Foreign Relations Committee. Since that time, the Departments of State and of the Army have submitted to the Congress and to your Committee a considerable amount of information on this subject. During the course of my testimony before your Committee on January 8, I made a number of statements in which I pointed out certain of the reasons in favor of continuing the dismantling program, and indicated that further information and data would be furnished in the near future. Various Army witnesses, including Secretary Royall and Under Secretary Draper, have testified at length before your Committee in support of the dismantling and reparation program, and especially with reference to the more technical aspects of the program, including its effects upon the German economy.

On January 24 Mr. Lovett forwarded to you a copy of the memorandum prepared by the Departments of State and of the Army in reply to the questions contained in House Resolution 365.² This resolution called for answers to eleven questions concerning the dismantling program, and the replies (together with the six attachments) went into considerable detail. I understand that the Speaker of the House of Representatives read Mr. Lovett's covering letter of January 24 before the House. It was pointed out in this letter that through both diplomatic channels and through the Office of Military Government (US), the British and French Governments have been asked to supply detailed information with regard to the status

of the dismantling program in their respective areas of occupation. Although representatives of these governments have given us assurances that they will make every effort to furnish the requested information, we are still awaiting receipt of detailed replies.

I believe that there are certain very compelling reasons in favor of the reparation program which may not be fully understood by the Congress, notwithstanding the quite extensive information which has been made available to the Congress through your Committee and otherwise. For this reason I am submitting to you herewith a further memorandum in which an effort is made to summarize the principal points which are involved. I believe that the information and arguments contained in this memorandum will be of use to your Committee, and it occurs to me that you and other members of the Senate may deem it appropriate to employ this material in any further discussions of the program which may take place. With this thought in mind I am forwarding to you under separate cover additional copies of the memorandum.

I should also like to bring to your attention the fact that the British and French Governments are understood to be opposed to modification of the present dismantling program. We know that they feel themselves justly entitled to and are most anxious to receive delivery of their share of the plants which have been selected for dismantling and of the reciprocal deliveries of commodities which the Soviets are obligated to make to the West. If all dismantling should be halted in our zone, this would be interpreted as the abandonment of the reparation program as far as the United States is concerned. The probable result of such action would be that the United States would find itself in sole opposition to the demands of the other 17 members of the I.A.R.A. group of nations, and would probably be faced with renewed demands for extensive reparation out of current production. The principles for which we have contended so vigorously would thus be placed in jeopardy. Instead of being able to dispose of the reparations problem in short time and at rela-

¹ Released to the press Feb. 9, 1948.

² BULLETIN of Feb. 8, 1948, p. 185.

tively little cost we will be thrown back into a situation similar to that which followed in the wake of World War I, with general disagreement and long drawn-out wrangling among the victorious allies, and particularly those nations in Western Europe among which unity of purpose and feeling is essential for European recovery.

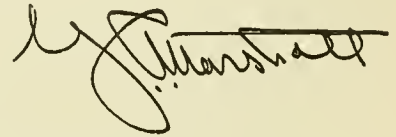
For the foregoing reasons, as well as the unfortunate political consequences within Germany which our officials there have declared would result from a temporary halt of dismantling should it later be decided to resume dismantling, General Clay has not been instructed to discontinue dismantling. No further allocations by the Allied Control Authority have been made, however, since the current Congressional inquiry was begun. At the same time an investigation is being made to ascertain whether or not certain of the plants scheduled for dismantling would be better able to contribute to the world supply of critical items if retained in Germany, particularly those plants to which attention was called in the report of the Herter Committee.

As you are aware, because of Soviet breaches

of the Potsdam Agreement we are seeking adequate arrangements with the British regarding further reparation deliveries to the East. These discussions are continuing, and in the meanwhile all deliveries from the US Zone to the USSR (and Poland) have been stopped except for the remnants of three plants which were largely dismantled and delivered before the last meeting of the Council of Foreign Ministers.

After consulting your office, I am taking the liberty of furnishing copies of this letter and memorandum to the Chairmen of the Appropriations Committee of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives in view of the interest which these Committees have taken in the reparation and dismantling program.

Faithfully yours,



MEMORANDUM ON THE GERMAN REPARATION PROGRAM

February 2, 1948

In recent weeks, while the major proposals of the European Recovery Program have been under continuous Congressional and public discussion, there has been wide-spread criticism directed to the question of the compatibility with that Program of the present German reparation settlement. It has been argued that the dismantling and transfer of German plants blocks the industrial recovery of Germany and is the major factor preventing the great industries of the Ruhr from contributing to European reconstruction. The conclusion is drawn that the dismantling program increases the burden on the United States, and the costs which must be borne by the American taxpayer. It is asserted that the transferred plants are of small value to the recipient countries and that, in any case, the major beneficiaries are countries which are unfriendly to the United States.

A more limited opposition is addressed to the question of certain plants on the dismantling lists which appear to be technically capable of producing items, such as sheet and strip steel and large diameter pipe, which are in short supply throughout the world because of lack of producing capacity. It is argued that it would be to the advantage of all nations concerned to keep such plants in Germany and to assign them top priorities in supplies of coal, manpower, and other scarce factors of production, rather than to undergo the loss of production time involved in their dismantling and transfer.

In response to these criticisms a fundamental reexamination of all the considerations involved, both economic and political, has been undertaken by the Department of State. The conclusion has been reached that the German reparation program should be continued in its present form, and that such continuance will aid, not hamper, the economic recovery of Europe. Such continuance will, furthermore, leave to the German people adequate resources to enable them to develop a decent standard of life and to contribute through industrial exports to European recovery. The major considerations which led the Department to adopt this conclusion are summarized in the following paragraphs. The question of whether certain of the plants on the dismantling list would be better able to contribute to the world supply of critically short items if retained in Germany is now being investigated.

Political Considerations

The Need for a Final Settlement of the German Reparation Question

The obligation of the aggressor to pay the maximum reparation compatible with economic and political realities is incontestable. The failure after the first World War to arrive at a realistic solution of this problem cost American taxpayers and private investors hundreds of millions of dollars, seriously disrupted European and world trade throughout the interwar period, and gave

rise to constant frictions in international political relations.

From this unhappy experience it could be concluded that any reparation settlement, to be satisfactory, should be realistically based on capacity to pay, should be carried to final completion within a relatively short period, and yet should be accepted as equitable by all concerned. It was such a settlement that the United States Government consistently sought from the time when planning for the post-surrender treatment of Germany was begun. Without such a settlement, it was certain that the time when Germany could enter into normal economic and political relations with the rest of the European community would be seriously delayed, and it was probable that American taxpayers and investors would once again find that they had paid the German reparation bill.

The Character of Existing Reparation Agreements

The Potsdam agreement embodies the basic features of a reparation settlement satisfactory to the United States. It very specifically lays down the principle that the German reparation bill must be kept within the bounds of Germany's capacity to pay, and recognizes the necessity for a definitive settlement to be carried through within a few years. It takes into account the fears of European countries of a resurgence of German aggression and yet lays the ground for the establishment of a unified, peaceful, and economically viable Germany capable of self-support.

Providing all parties hereto undertook its implementation in a sincere spirit of cooperation, the Potsdam agreement provided the basis for a definitive settlement of the reparation shares of the Soviet Union and Poland on the one hand, and of all other countries entitled to reparation from Germany on the other. The Paris agreement on reparation, which was negotiated in Paris during the last two months of 1945, represented the practical acceptance by these other countries of the Potsdam reparation settlement. These 18 countries in effect accepted the principle of Germany's capacity to pay and agreed among themselves as to their relative shares in a total volume of German reparation assets which at that time was unknown. Such a reparation settlement is unprecedented in history; and in view of the greatly reduced volume of capital equipment being made available under the revised levels of industry, its continued acceptance is even more remarkable.

The Degree to Which the U.S. Government Is Committed Under Present Reparation Agreements

There can be no doubt that the signatories of the Paris reparation agreement regard the United

States as being fully committed thereby to carry out the reparation provisions of Potsdam. There are no legal grounds in international law to justify the conclusion that the Paris agreement is no longer internationally binding.

It is, of course, true that in cases where circumstances have substantially changed since the date of signature of an international agreement, and where the majority of the signatories to the agreement concur in the view that the agreement requires modification in the light of such changed circumstances, renegotiation has frequently been undertaken. As pointed out elsewhere, however, the majority of the signatories to the Paris agreement on reparation feel strongly that the implementation of the agreement should be continued and that, indeed, the action taken to date has been too dilatory and limited.

As is well known, the Soviet Union has refused to follow in practice the principles of German self-support and capacity to pay and of economic unity laid down in the Potsdam agreement. Unless it is willing to live up to all the terms of this agreement, it cannot properly claim that only those clauses wholly favorable to it should be carried out. As has been announced, the Department of State is now seeking adequate arrangements with the British regarding further reparation deliveries to the east. So far as the United States Zone in Germany is concerned, only the remnants of three plants, dismantling and shipping of which had already progressed very far prior to the last Council of Foreign Ministers, are now in process of delivery to the U.S.S.R.

It remains true, however, that the Potsdam agreement embodies the basic features of a reparation settlement satisfactory to the United States, and one which is probably as advantageous to Germany as is compatible with Germany's obligations. This being so, it would obviously be unwise to abandon the Potsdam reparation settlement merely by reason of Soviet malfeasance.

The Present Attitude of European Countries

The attitude of the members of the Inter-Allied Reparation Agency towards the dismantling program has been most recently indicated by a resolution of the Assembly, transmitted in November 1947, to the Council of Foreign Ministers. The resolution protested the delays in dismantling and shipment of German plants and requested the Council to seek measures to speed up the program. A similar resolution had been presented to the Council in October 1946.

The eagerness with which the members of the Agency have sought to secure such German plants and equipment as have been made available to them is ample evidence of the importance which they attach to these plants for purposes of their own economic reconstruction. Apart, however,

from the contribution of the reparation program to their own economic reconstruction, these countries regard the program as a symbol of an attitude toward Germany's past actions and toward their own future, the abandonment of which would cause the greatest concern. To argue that the United States has already, through contributions to European relief, "more than paid for these plants", would seem to them to represent a callous disregard for the moral issues at stake and for the superior rights of the victims over the aggressor. This attitude also tends wrongly to identify German and American interests.

From a purely practical standpoint, it is the attitudes of Britain and France, in whose occupation zones in Germany are located the great majority of the plants remaining to be dismantled, that are of most importance. The British have very strongly expressed the view that they regard themselves as bound by the Paris reparation agreement to carry out the dismantling program. The French, although they have not been directly approached at this time, are known to hold similar views. In addition, the French have already protested against the present bizonal level of industry on the grounds that in certain fields of industry it permits the retention of so great a German capacity as to threaten their own security. The Department of State considers that it would be inconsistent with national policy to attempt to coerce the British and French into taking action which they would regard as a breach of their international commitments, and as an injury to their own material interests and to those of the entire European community.

Economic Considerations

The Character of the Bizonal Level of Industry

When it became clear that the U.S.S.R. had no immediate intention, except on its own terms, of putting into effect the economic arrangements envisioned under the Potsdam agreement as necessary for the creation of a viable German economy, the American and British Governments took the decision to merge their zones economically. An open invitation to other zones to join the merger was maintained. The two Governments continued to feel, however, that the general lines of the reparation settlement embodied in the Potsdam agreement were correct ones, and instructions were given to the two zone commanders to prepare a revised level of industry for the bizonal area as a basis for the carrying out of that settlement. These instructions were given in March 1947, after the Council of Foreign Ministers met at Moscow.

By that time some 18 months' experience had given a clearer insight into the problems of German economic recovery. The general dollar crisis in western Europe had not yet become apparent in

its full intensity, although serious difficulties had already appeared. In working on the revised level of industry the American and British authorities in Germany had fully in mind the necessity of providing the basis for a German economy with the resources and flexibility essential not only for its own recovery, but also for the fullest contribution within its power to general European recovery.

Negotiations proceeded over several months, and it was not until August 29, 1947, that the revised level of industry was finally announced. The general effect of the revised level of industry is to permit the retention in the bizonal area of sufficient industrial capacity to produce approximately the same volume of output as was produced in 1936.

1936 was a year of considerable prosperity in Germany and one in which the German standard of living was one of the highest in the world. Not only was the standard of living high in that year, but in addition the Nazi Government found it possible to devote large resources to the construction of the Autobahns, of massive public buildings, and Nazi Brown Houses, and to armaments production.

In 1936 the bizonal area exported, in terms of current prices, roughly \$1.75 billions worth of industrial products. The revised level of industry provides the basis for a volume of exports some 15 percent larger than this.

It should be emphasized, in addition, that the revised level in no way constitutes a permanent straitjacket on the German economy. Within the resources left to them, the Germans are free to develop their economy and standard of living to the fullest extent made possible by their enterprise and hard work. Such permanent restriction as may be necessary for reasons of security will be contained in the final peace arrangements. In the meantime, the occupation of Germany will continue.

It is well to recall that, on the basis of the resources available to them in 1936, the Germans established a formidable war machine. Had these resources been devoted to peaceful purposes, the German standard of living could have been greatly raised above its already high level.

It is, of course, true that the population in the bizonal area will be considerably higher than in 1936 and that the volume of industrial output per capita will therefore be lower. Taking into account, however, the fact that resources will no longer be devoted to war purposes, it is considered that full opportunity remains for the development of a decent standard of life.

The level of industry presently contemplated in the French zone is believed to be rather lower, on a relative basis, than that for the bizonal area. Industrial capacity in that area is, however, a relatively small fraction of the total in the three

western zones. Even if present French plans are carried out in their entirety, therefore, it is not believed that they will materially reduce the capacity of western Germany as a whole.

The Selection of Individual Plants for Removal

The selection of individual plants for removal was carried out with a view to retaining in Germany the most economically located plants and those best able to contribute to the export program, while at the same time minimizing the local and temporary effects of dismantling. The concentration of production in the plants remaining is expected to improve efficiency in management and in the use of labor, fuel, and raw materials. It should be noted that these lists were drawn up during the period between the end of August 1947 and the middle of October and that the general character of European and world needs, and especially of the needs for specific critical commodities, was well known at this time.

At the time of publication of the list of plants to be dismantled, on October 16, the responsible German authorities were invited to submit suggested amendments. No amendments were submitted in the case of the American list. Some 30 or 40 amendments were suggested for the list of plants in the British zone. Many of these amendments were accepted, and others are still under consideration.

The Relation of German Production to the European Recovery Program

The present level of industrial production in the bizonal area is roughly one third of the capacity scheduled for retention under the revised level of industry. Even this level has been achieved only after more than two years of grinding effort to break the complex log-jam of shortages which is blocking German production—food, coal, raw materials, housing, manpower, transport, etc. In no single branch of industry does production now equal or even approach retained capacity. In no branch of industry will the removal of capacity now scheduled for dismantling materially affect the output of that industry over the next four or five years.

In the light of the above facts it is clear that the real problem of bringing about German recovery, and therefore of enabling Germany to contribute to European recovery, is to increase German production. Even were present German production doubled, it would still be one third lower than is technically possible on the basis of the revised level of industry.

Many suggestions have been put forward in the press and in pamphlets as to possible means of increasing German industrial output to the point where all existing capacity, including that scheduled for dismantling, could be fully utilized. It

has been urged, for example, that more coal should be shipped from the United States in order to permit the retention in Germany of a greater proportion of German coal production, thereby affording the basis for a greater German industrial output. This suggestion ignores the fact that coal is now being stockpiled at German mines because of inability to transport it to manufacturing plants. It ignores the fact that skilled manpower for making immediate use of greatly increased quantities of coal is simply not available. Other panaceas offered can be shown, upon detailed analysis, to fail equally to take into account the hard facts of economic life in Germany today.

Industrial recovery in Germany is necessarily a slow process, which can only proceed in a reasonably balanced fashion, with advances in one particular branch of industry providing the essential basis for equivalent advances in other branches. To superimpose overriding priorities for production of particular items would be to invite collapse in other segments of production. To attempt to inject supplies of fuel and raw materials into the economy at a rate faster than can be effectively utilized under existing circumstances would engender waste and misuse. In view of world shortages today, such action would be untenable.

In conclusion, it is important to note that in their discussions of the possible German contribution to European recovery the bizonal authorities did not find themselves in any way limited by the restrictions imposed under the revised level of industry. Their estimates of possible German production, and of possible German exports to countries participating in the European Recovery Program represented the maximum deemed feasible under existing and expected conditions in Germany, taking into account the needs both of Germany and of Europe.

Even under present programming, it is estimated that within four or five years Germany may have a substantial export surplus in its trade relations with other countries participating in the European Recovery Program. By 1952 total exports from the bizonal area to these countries are estimated to be in the neighborhood of \$2 billion with a surplus of exports over imports of around a quarter of a billion dollars. To divert food, coal, and raw materials from other countries to Germany with the result of increasing this surplus would be difficult to defend either on political or on economic grounds. Such diversion would be certain to lend ammunition to the Communist propaganda that the United States favors the rebuilding of a powerful Germany over the reconstruction of Germany's victims.

The Economic Feasibility of Transferring German Plants

Ample evidence of the economic feasibility of dismantling and transferring industrial equip-

ment is to be found both in earlier American experience and in the experience of the Inter-Allied Reparation Agency. The War Assets Administration, for example, has been realizing about 50 percent of war-inflated acquisition costs on sales of second-hand general-purpose machinery. 80 percent of the equipment sold by them has been dismantled and transferred to new sites. Demand for many types of equipment offered by them is far in excess of supply. European countries have been paying good prices for this machinery despite the fact that it must be transported across the Atlantic and converted to the metric system before it can be utilized.

The O.F.L.C. has promptly disposed of virtually all of the German equipment secured by the United States through the Inter-Allied Reparation Agency. Most recently, for example, a chemicals plant was sold to an American firm for \$103,000, although its 1938 replacement cost in Germany was estimated at only about \$135,000. The Permanente Metals Corporation has purchased a German aluminum-foil rolling mill for \$203,000, and is now engaged in dismantling and packing it. Customs duties must be paid also and both these plants must be moved across the Atlantic, reerected in this country, and adapted to the American system of measurement. Nevertheless, in the opinion of experienced American businessmen these are sound commercial transactions.

Equipment from the Hensoldt Optical Plant has been reerected in the Netherlands to replace equipment looted by the Germans. Machinery from the Kugelfischer ball-bearing plant will help to replace both British and French plants extensively damaged during the war. It is clear that both the Governments concerned and the business firms which purchase the equipment from their Governments, regard the dismantling program as both practicable and profitable.

In many cases Germany represents the only possible source for securing industrial equipment within a reasonable period. Furthermore, the German equipment can be procured under the reparation program without expenditure of scarce dollars and is in most cases more readily adaptable to European plants than is American machinery. Since the plants cannot presently be used in Germany, their present economic value there is so low as to be negligible in relation to their value to recipient countries. It is too seldom remembered that at the end of the war Germany had virtually as many machine tools as the United States.

Reciprocal Deliveries

Under the Potsdam agreement, the Soviet Union was required to make the western powers so-called "reciprocal deliveries" of foodstuffs, potash, coal, and other commodities in return for three fifths of the capital equipment delivered to them from the

western zones of Germany, i.e., in return for 15 of the 25 percent of total removals from the western zones to which they were entitled. Such reciprocal deliveries were to be spread over a period of five years, whereas the capital removal program was to be completed within two years.

Under present plans total capital removals from the western zones would probably amount in 1938 values to approximately 1 billion Reichsmarks, of which the Soviet share would be RM 250 million. In return from this removed plant RM 150 million worth of reciprocal deliveries would be required from the U.S.S.R. Since roughly RM 100 million worth of capital equipment has already been delivered to the Soviet Union, while reciprocal deliveries are only now about to begin, the theoretical debts on both sides are now roughly equal.

In other words, the U.S.S.R. owes to the western powers RM 150 million worth of coal, food, and other commodities, and an equivalent value in deliveries of capital equipment is theoretically owed to the Soviet Union. The extremely urgent demands for commodities in western Europe and the disproportionately great increase in world prices of commodities over capital equipment since 1938, tend to make this possible exchange advantageous to the member nations of the Inter-Allied Reparation Agency.

Conclusions

Analysis of Germany's economic situation shows beyond question that the revised level of industry, and the dismantling program based on it, have no present effect on Germany's ability to produce and to export; nor has the revised level been found an obstacle to planning the maximum feasible contribution by Germany to the general European Recovery Program. It provides for the retention in the bizonal area of sufficient industrial capacity to provide the basis for development of a reasonable standard of living and of a volume of industrial exports greater than prevailed in 1936.

The dismantling and removal of German plants, therefore, represents a transfer of capacity which would otherwise remain idle in Germany to countries which, because of more adequate supplies of manpower, housing, transport, and other scarce factors of production, and because they enjoy more stable monetary and administrative organizations, can make good use of them. Transferred German plants are already contributing to the economic recovery of other European countries and may be expected to reduce the cost of the American contribution to European aid. To a considerable extent recipient nations have no other available source of supply for meeting their requirement for much-needed industrial expansion.

The reparation settlement embodied in the Potsdam and Paris reparation agreements, of which the dismantling program represents the concrete im-

plementation, is one which accords with the best interests both of the United States and, recognizing its obligations, of Germany. It is a settlement to which genuinely friendly European countries, including both Great Britain and France, regard

the United States as being fully committed, and one which represents to them the symbol of an attitude towards Germany's past actions and towards their own future, the abandonment of which would cause them the greatest concern.

Arrest of American Officers in Hungary¹

TEXT OF AMERICAN AND HUNGARIAN NOTES

On instructions of this Government, the American Embassy in Moscow has addressed to the Soviet Foreign Office, under date of February 7, a note ((2) below) protesting the recent arrest in Hungary by Soviet troops of Lt. Cols. Bernard Thielen and Peter J. Kopesak, Attaché and Assistant Military Attaché, respectively, of the American Legation in Budapest. The American Legation in Budapest has concurrently delivered notes to the Soviet Legation in Budapest ((3) below) and to the Hungarian Foreign Office ((4) below) concerning the matter.

On January 14, Colonels Thielen and Kopesak were arrested by Soviet troops in Hungary and abducted across the Hungarian frontier to Vienna where intervention by United States authorities effected their release. Following informal representations by the American Minister in Budapest, Selden Chapin, to the Hungarian Foreign Minister on January 16, the Hungarian Foreign Office, in a note dated January 17, stated the Soviet Legation in Budapest would furnish the Foreign Minister, within two or three days, information in regard to the case, which would be forwarded to the American Legation as soon as it was received. The American Legation acknowledged this communication from the Foreign Office in a note of January 19 ((1) below). On January 21, the American Legation received a note from the Soviet Minister in Budapest, who charged, with reference to the case, that Colonels Thielen and Kopesak had refused to submit proper identification papers and had violated generally known rules in entering a Soviet military area without previous permission from the commander of the Soviet units there. The Soviet Minister added his "hope" that the American Minister would "take the necessary steps that the offenders be punished, lest such incidents should occur in the future."

(1) Text of note of January 19, 1948, from the American Legation, Budapest, to the Hungarian Foreign Office

The Legation of the United States of America presents its compliments to the Ministry for Foreign Affairs and with reference to the Ministry's Note No. 167/pol.-1948, dated January 17, 1948,

has the honor to enclose the gist of the sworn statements of the two officers involved, as to events connected with their recent arrest and abduction across the Hungarian-Austrian border by Soviet military authorities.

The Legation will be happy to receive and will read with keen interest, such documents as may be presented to the Foreign Ministry by the Legation of the Union of Soviet Socialist Republics in Budapest, and which may be forwarded by the former to this Legation, bearing on this case. It is presumably entirely within the competence of the Hungarian Government to decide whether or not Hungary's sovereignty has been violated, and what action if any is necessary as a result; nevertheless the Legation of the United States of America can in advance conceive of no adequate excuse for the exercise of police powers on Hungarian territory by "line of communication" troops of a third power; the arrest of the diplomatic representatives of a foreign government duly accredited to Hungary; refusal by the military authorities of said third power to recognize or to honor the diplomatic identification cards issued by the Hungarian Ministry for Foreign Affairs; refusal by force of arms to permit such diplomatic officers to communicate with their own Legation; and their abduction out of Hungary, to which they are accredited, under armed guard and in such a way as to prevent adequate examination by the Hungarian border guards, the officers being without passports or visas authorizing their departure from Hungary.

The Legation of the United States of America avails itself [etc.]

(Enclosure: Gist of Sworn Statements)

I, Bernard Thielen, Lt. Colonel, United States Army, Attaché of the Legation of the United States of America in Budapest and I, Peter J. Kopesak, Lt. Colonel, United States Army, Assistant Military Attaché of the Legation of the United States of America in Budapest make the following joint statements concerning our recent arrest in Hungary and abduction across the Hungarian-Austrian border by Soviet military authorities:

Lt. Colonels Kopesak and Thielen had departed from Budapest at 8:00 a.m. January 13, 1948, on

¹ Released to the press Feb. 11, 1948.

a routine trip of official nature. They were both wearing full uniform of the United States Army and were traveling in military vehicle USMA No. 3, Chevrolet Sedan, belonging to the Office of the United States Military Attache, Budapest. The description of the vehicle is as follows:

Color: Olive drab with white bumpers.

Identifying Marks: "USMA 3" on both bumpers.

Serial numbers on hood in white letters: USA 147174.

They had in their possession the following documents:

(1) Diplomatic identification documents issued by the Hungarian Ministry for Foreign Affairs;

(a) No. 235/1947, dated December 2, 1947, issued to Lt. Colonel Bernard Thielen, bearing inscription "Magyar Kulugyministerium Igazolvan, Kulfoldi Diplomatak Reszere" on the outside cover with a blue stripe running from the upper right corner to the lower left corner, containing a picture of Lt. Colonel Thielen affixed inside together with typewritten details setting forth his status;

(b) A similar document No. 233/1947, dated December 2, 1947 and issued to Lt. Colonel Kopcsak.

2. Identification cards issued by the Adjutant General's Office, United States Army:

(a) No. D-229002 issued to Lt. Col. Thielen;

(b) No. C-239528 issued to Lt. Col. Kopcsak.

They entered Gyor about 11:00 a.m. of the same day and drove about the city. About 11:30 a.m. a truck filled with Soviet soldiers who were armed with submachine guns and rifles with fixed bayonets pulled up in front of their car and the Soviet soldiers jumped out and surrounded the American car. Without any explanation, the two American officers were forced to accompany the Russian military to a Soviet headquarters where they were made to remain in their car while the Russian officer in charge of the squad which had detained them went into the headquarters building. Subsequently they were escorted under armed guard to the *Kommandatura*, where the Commandant carefully inspected their diplomatic identity cards. The Commandant evidenced suspicion as to the authenticity of these cards. Finally, he stated that it was forbidden to enter an area occupied by foreign troops. The American officers replied that to their knowledge no announcement had been made of the presence of Soviet troops in Gyor and that they had seen no signs in Russian or in any other language stating that entry to the area was forbidden. After some further delay, the Soviet Commandant released the two American officers and they proceeded on their way without further incident.

The following day, January 14, 1948, en route to Budapest, at about 11:00 a.m. as they were entering the main square of Papa on the public highway, they stopped to inquire of a Hungarian policeman as to the best route to Zirc. The policeman gave them the information requested and they started to proceed on their journey when after going about one hundred yards they were stopped by a Russian officer and an armed Russian sentry and told that they had to present their documents at the Soviet *Kommandatura*. The American officers protested that they were merely passing through Papa and offered their documents for the Soviet officer's inspection. The documents were verified as to their authenticity by the Hungarian policeman from whom the officers had previously requested directions, but the Soviet officer refused to discuss the matter and insisted that the American officers accompany him to the *Kommandatura*. Anticipating only a brief delay, the American officers drove to the *Kommandatura*. Lt. Col. Kopcsak took his and Lt. Col. Thielen's documents into the *Kommandatura* office while Lt. Col. Thielen remained in the car which was parked at the *Kommandatura* entrance and under surveillance of armed Russian sentries. Lt. Col. Thielen was requested several times to drive the car into the *Kommandatura* courtyard, but each time he refused to do so.

Meanwhile, Lt. Col. Kopcsak had shown his and Lt. Col. Thielen's documents to a Hungarian-speaking Soviet soldier. The latter stated that the Russians understood the status of the two American officers, but that as a matter of routine it would be necessary for the Officer of the Day to telephone the Soviet Town Commandant. After some time, during which no apparent progress had been made, Lt. Col. Kopcsak insisted that he and Lt. Col. Thielen be permitted to continue their journey. A Soviet captain then informed him that he must drive his car into the *Kommandatura* enclosure, giving as a reason the fact that a large crowd of Hungarians was collecting around the vehicle and the entrance to the *Kommandatura*. Lt. Col. Kopcsak refused, however.

The Russian captain then requested that the American officer (Lt. Col. Thielen) who was still outside in the car, come into the *Kommandatura*. After locking the car, Lt. Col. Thielen complied with this request. Upon entering the *Kommandatura* he pointed out to the senior Russian officer present that he and Lt. Col. Kopcsak had no intention of stopping in Papa. The Soviet officer stated that he was fully aware of that and that it was merely a question of verifying the documents of the American officers. In this connection, he stated that the documents were written in Hungarian. Lt. Colonels Thielen and Kopcsak immediately pointed out that a Hungarian policeman had accompanied them to the *Kommandatura* and that he could translate the docu-

ments or that Lt. Col. Kopesak could give a literal translation if such were desired and that, furthermore, one of the Russian soldiers obviously spoke fluent Hungarian.

About 2:30 p.m., Lt. Colonels Thielen and Kopesak informed the officer in charge of the Kommandatura that they were going out to eat lunch. The Soviet officer refused to grant permission for this at first, but after some delay he made a telephone call and then stated that the two American officers might go out for this purpose. The two American officers were accompanied to a nearby restaurant under armed guard of three Russian soldiers with submachine guns and one Russian officer.

Upon arrival at the restaurant, the Soviet soldiers forcibly dispersed a crowd which had gathered and kept the curtains drawn during the time when Lt. Colonels Thielen and Kopesak were having their lunch. The American officers, however, could not help noticing upon leaving the restaurant that this crowd of Hungarian civilians which had again gathered outside, was displaying considerable resentment at the detention of the Americans by the Soviet military.

After lunch the two American officers were escorted, still under armed guard, back to the Kommandatura. There the two officers demanded permission to telephone to the American Legation in Budapest, but were refused, despite continued insistence on this right. It was at this point that the Soviet officials stated that the two American officers were soon to be taken to Budapest. This statement was utilized by the Soviets as an excuse for their repeated refusals to permit any telephone call to be made to the American Legation in Budapest. Lt. Col. Kopesak continued to insist on his right to telephone and finally said that he would go outside and use another telephone, but when he attempted to leave the office of the Kommandatura, the Russian sentry, upon an order from one of the officials pushed a gun against Kopesak's chest and told him to sit down.

At this point the Russian captain reentered the room and said that soon the two American officers would be taken to some other place. Lt. Col. Kopesak immediately asked him where they were to be taken and the captain replied that they would find out later.

About 4:00 p.m. the American officers were told that arrangements had been completed to take them to Budapest and that they would be accompanied by the Town Commandant of Papa, a lieutenant colonel in the Russian Army. The Russian captain then said that while he recognized that it was customary for military officers to carry sidearms, the Commandant had said that he would not accompany them unless they agreed to surrender their weapons. Both Lt. Col. Thielen and Lt. Col. Kopesak declined to do so unless they were given full assurances as to where they were

being taken. They were then informed categorically that until and unless they surrendered their weapons they would not be taken to Budapest. Thereupon they agreed to turn their pistols over to one of the Russian officers accompanying them.

At about 5:00 p.m. they saw the Commandant for the first time. He explained to Lt. Col. Thielen that they would be taken to Budapest in their own car and would be released there. Lt. Col. Thielen asked him to repeat this slowly so that there might be no misunderstanding. When the Commandant had done this the two American officers gave him their pistols which the Commandant, after removing the magazines, placed in his own pocket. The Commandant then stated that they were being detained for routine identification prior to their being released and that no doubt in Budapest they could be properly identified.

By this time it was dark. The two American officers were separated; Lt. Col. Thielen being directed to ride in the car of the Commandant with the Commandant himself. Lt. Col. Kopesak was ordered to sit in the back of the American car despite his protests that he preferred to drive it. He was joined in the back seat by the Russian captain while a Russian soldier with a submachine gun and a Russian driver sat in the front seat.

The cars left the Kommandatura, with the Commandant's car in the lead, and headed out on highway No. 821 towards Csorna. After some time and before reaching highway No. 1 the vehicles came to a crossroads where there were road signs pointing to Győr in one direction and to Sopron in the other direction. The cars turned toward Sopron. Lt. Col. Thielen immediately protested to the Commandant who laughed and said that they were going to Sopron though he refused to give any reason. The vehicles proceeded along various back roads which the Americans were unable to identify due to the darkness and the rain, followed a very narrow winding road through the outskirts of Sopron and without stopping went on to the Hungarian-Austrian border. At the frontier barrier, the Commandant shouted "Two Russian machines" and the Hungarian border guard raised the barrier immediately without examination of any documents, without apparently noticing that one car was an American car and without looking into either car.

After leaving Hungary the vehicles followed back roads which apparently were unknown to the driver of the Commandant's car, since he had to stop several times to ask directions to the Soviet occupied zone in Vienna. Finally, the cars arrived about 10:30 p.m. at the Kommandatura in Vienna where the two American officers were held until about 2:00 a.m. on January 15, 1948 when they were released at the intervention of American military authorities in Vienna. It may be noted that upon their release the senior Soviet officer present

was unable to explain why the two American officers had been detained.

On their return to Budapest from Vienna on January 16, 1948 the American officers encountered no difficulty at the Soviet roadblock in Austria. The Austrian and Czechoslovakian border guards also permitted them to pass without delay. However upon arriving at the Hungarian border they were told to report to the Hungarian Customs Office where the Hungarian officials appeared to be very suspicious and spent about fifteen minutes interrogating the two American officers. The customs officials requested trip tickets for the automobile and inquired concerning dutiable personal effects. Finally, after an additional wait of about 15 minutes, the customs official at length permitted the officers to depart for Budapest.

BERNARD THIELEN, *Lt. Col, USA*
PETER J. KOPCSAK, *Lt. Col, USA*

Subscribed and sworn to before me this 19th day of January, 1948.

[SEAL]

HARRY E. CARLSON
Consul General of the United States of America

(2) Text of note of February 7, 1948, from the American Embassy, Moscow, to the Soviet Foreign Office

Lt. Colonel P. J. Kopsak and Lt. Colonel Bernard Thielen, Assistant Military Attache and Attache, respectively, of the American Legation in Budapest, on January 14, 1948 at approximately 1:30 p.m., while driving in an easily identifiable olive drab official sedan of the Military Attache's office through the town of Papa, Hungary, were detained by Soviet Military officials who refused to release them in spite of the fact that both American officers offered proper documents for inspection including valid diplomatic identification cards. The officers were then taken by automobile across the Hungarian frontier, where no stop was made to permit inspection of documents by Hungarian border guards, and finally to the Soviet Komandatura in Vienna, where they were detained until after 2:00 a.m., on January 15.

The Soviet military authorities who arrested and abducted the American officers not only made no effort, despite the possession by the latter of valid diplomatic identification, to confirm the identity of the officers by communicating with the Hungarian Foreign Office or the American Legation in Budapest but also refused to permit the officers themselves to telephone the American Legation in Budapest.

Copies of sworn evidence with regard to the incident are being transmitted by the American Legation in Budapest to the Soviet Legation there, with the request that the latter forward this material to the Soviet Government for its attention.

This detention and abduction out of Hungary

of American diplomatic personnel constitutes an arbitrary and unjustified exercise of police power in Hungary by Soviet "line of communication" troops and unwarranted interference with diplomatic officials duly accredited to the Hungarian Government, in derogation of Hungarian sovereignty.

The United States Government protests this unwarranted and unjustified action on the part of the Soviet military authorities and requests that appropriate orders be issued to Soviet troops to ensure that Hungarian sovereignty be respected and that such incidents do not occur in the future.

(3) Text of note of February 7, 1948, from the American Minister in Budapest to the Soviet Minister in Budapest

I have the honor to acknowledge the receipt of Your Excellency's note No. 44 dated January 21, 1948 with regard to the recent arrest by Soviet troops, in the main square of Papa, of Lieutenant Colonels Thielen and Kopsak of this Legation. I regret to inform Your Excellency that the statements contained in the foregoing communication do not correspond to the facts in the case as set forth in sworn evidence which was previously submitted to the Hungarian Government on January 19, 1948, a copy of which is attached for Your Excellency's information. I should appreciate it if Your Excellency would forward this document to the Soviet Foreign Office in Moscow.

Your Excellency's attention is invited to the significant facts that (1) the Soviet military authorities who arrested the American officers and abducted them from Hungary not only made no effort—despite the latter's possession of valid diplomatic identification—to confirm the identity of the officers by communication with the Hungarian Foreign Office or this Legation but they also refused to permit the officers themselves to telephone this Legation; and (2) this conduct constitutes the arbitrary exercise of police power by Soviet "line of communication" troops and an unwarranted interference with duly accredited diplomatic officials in derogation of Hungarian sovereignty.

In the circumstances, I obviously must reject the contentions in this matter contained in Your Excellency's note under reference, together with the request contained therein that the American officers be punished.

I am informed by my Government that it is lodging a protest through the American Embassy in Moscow with the Soviet Foreign Office regarding this incident; and I am instructed to add that any further correspondence on this matter in so far as relations between the United States of America and the USSR are concerned will be conducted through the American Embassy in Moscow.

Accept [etc.]

(4) Text of Note of February 7, 1948, from the American Legation, Budapest, to the Hungarian Foreign Office

The Legation of the United States of America presents its compliments to the Hungarian Minister for Foreign Affairs and has the honor to refer to a conversation between the Foreign Minister and Minister Chapin on January 16, 1948 with regard to the arrest by Russian troops, in the main square of Papa, of two United States Army officers attached to this Legation, their detention incommunicado for 11 hours and their abduction across the Hungarian-Austrian border to Vienna, involving several flagrant violations of Hungarian sovereignty; as well as to the Ministry's *note verbale* No. 167/POL 1948 of January 17, 1948, stating that the Soviet Legation in Budapest had declared that the incident by no means affected the sovereignty of Hungary, as was to be proven by information and documents which were to be furnished to the Minister in two or three days and which the latter would take pleasure in forwarding to the American Legation. The receipt of this note was acknowledged by this Legation on January 19, 1948.

Three weeks have now passed without the receipt of the aforementioned information and documents, or any other communication from the Minister. The Legation has, however, been surprised to receive a communication from the Soviet Minister direct, dated January 21, 1948, a translation of which is enclosed, together with a copy of this Legation's reply.

The Minister will note that the statements in the Soviet Minister's communication of January 21, 1948 do not correspond with the facts in the case as set forth in the sworn evidence previously submitted to the Minister with this Legation's note No. 31 of January 19, 1948.

The Government of the United States would appreciate receiving a statement by the Hungarian Government of its position in this case, in which is clearly involved the exercise of police powers in an arbitrary manner by the Soviet "line of communication" troops, and unwarranted interference by those troops with duly accredited diplomatic officials in derogation of Hungarian sovereignty.

The Legation of the United States of America takes this opportunity to renew to the Hungarian Minister for Foreign Affairs the assurances of its highest consideration.

Italy Notified of Prewar Treaties To Keep in Force or Revive

[Released to the press February 11]

The Department of State announced on February 11 that on February 6, 1948, the Italian Government was given official notification, in accordance with the terms of the treaty of peace with Italy signed at Paris, February 10, 1947, regarding the prewar bilateral treaties and other international agreements with Italy which the United States Government desired to keep in force or revive.

Text of note from the American Ambassador at Rome to the Italian Minister for Foreign Affairs giving such notification

I have the honor to refer to the Treaty of Peace with Italy signed at Paris February 10, 1947, which came into force, in accordance with the provisions of article 90 thereof, on September 15, 1947 upon the deposit of instruments of ratification by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and France. Article 44 of the Treaty of Peace reads as follows:

"1. Each Allied or Associated Power will notify Italy, within a period of six months from the coming into force of the present Treaty, which of its prewar bilateral treaties with Italy it desires

to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

"2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

"3. All such treaties not so notified shall be regarded as abrogated."

I have the honor, by direction of the Government of the United States of America and on its behalf, to notify the Italian Government, in accordance with the provisions of the Treaty of Peace quoted above, that the Government of the United States of America desires to keep in force or revive the following pre-war bilateral treaties and other international agreements with Italy:

Arbitration

1. Arbitration treaty. Signed at Washington April 19, 1928. Ratified by the United States May 15, 1928. Ratified by Italy November 27, 1930. Ratifications exchanged at Washington January 20, 1931. Effective January 20, 1931. [Treaty Series 831; 46 Stat. 2890.]

Aviation

2. Air navigation arrangement. Effected by exchange of notes signed at Washington October 13 and 14, 1931. Effective October 31, 1931. [Executive Agreement Series 24; 47 Stat. 2668.]

Conciliation

3. Treaty for the advancement of peace. Signed at Washington May 5, 1914. Ratified by the United States March 17, 1915. Ratified by Italy November 29, 1914. Ratifications exchanged at Washington March 19, 1915. Effective March 19, 1915. (Article II was abrogated and replaced by article I of the treaty of September 23, 1931.) [Treaty Series 615; 39 Stat. 1618.]

4. Treaty modifying the terms of article II of the treaty to advance the cause of general peace of May 5, 1914. Signed at Washington September 23, 1931. Ratified by the United States June 25, 1932. Ratified by Italy February 18, 1932. Ratifications exchanged at Rome July 30, 1932. Effective July 30, 1932. [Treaties Series 848; 47 Stat. 2102.]

Consuls

5. Consular convention. Signed at Washington May 8, 1878. Ratified by the United States June 4, 1878. Ratified by Italy July 9, 1878. Ratifications exchanged at Washington September 18, 1878. Effective September 18, 1878. (Article XI, which was annulled by the Convention of February 24, 1881, and article XIII, which was abrogated under Act of Congress approved March 4, 1915, are not to be considered as revived by this notification.) [Treaty Series 178; 20 Stat. 725.]

Debt-Funding

6. Debt-funding agreement. Signed at Washington November 14, 1925. Effective as of June 15, 1925. [Combined Annual Reports of the World War Foreign Debt Commission (1927) p. 222.]

7. Agreement modifying the debt-funding agreement of November 14, 1925 (moratorium). Signed at Washington June 3, 1932. Effective as of July 1, 1931. [Published by the Treasury Department, 1932.]

Extradition

8. Extradition convention. Signed at Washington March 23, 1868. Ratified by the United States June 22, 1868. Ratified by Italy July 19, 1868. Ratifications exchanged September 17, 1868. Effective September 17, 1868. [Treaty Series 174; 15 Stat. 629.]

9. Additional article to extradition convention of 1868. Signed at Washington January 21, 1869. Ratifications exchanged at Washington May 7, 1869. Effective May 7, 1869. [Treaty Series 176 (printed with 174); 16 Stat. 767.]

10. Supplementary convention to extradition convention of 1868. Signed at Washington June 11, 1884. Ratified by the United States April 10, 1885. Ratified by Italy August 8, 1884. Ratifications exchanged at Washington April 24, 1885. Effective April 24, 1885. [Treaty Series 181 (printed with 174); 24 Stat. 1001.]

Narcotic Drugs

11. Arrangement for the direct exchange of certain information regarding the traffic in narcotic drugs. Effected by exchange of notes signed at Rome January 5, and April 27, 1928. Effective April 27, 1928. [Treaty Information Bulletin No. 5 (July 1929) 2nd supp.]

Navigation

12. Agreement relating to the reciprocal recognition of certificates of inspection of vessels assigned to the transportation of passengers. Effected by exchange of notes signed at Washington June 1, August 5, and August 17, 1931. Effective August 15, 1931. [Executive Agreement Series 23; 47 Stat. 2665.]

Passport Visa Fees

13. Agreement relating to the waiver of passport visa fees for nonimmigrants. Effected by exchange of notes

signed at Rome February 11, 21 and 26, 1929. [Not printed.]

Postal

14. Convention relating to exchange of money orders. Signed at Washington March 31, 1877 and at Florence April 20, 1877. Effective July 2, 1877 [20 Stat. 683.]

15. Additional convention to the convention relating to exchange of money orders signed at Washington March 31, 1877 and at Florence April 20, 1877. Signed at Washington August 24, 1880 and at Rome August 9, 1880. Ratified by the United States August 25, 1880. [21 Stat. 788.]

16. Parcel Post Convention. Signed at Washington October 11, 1929. Ratified by the United States October 18, 1929. [Post Office Department print; 46 Stat. 2397.]

Taxation

17. Arrangement for relief from double income tax on shipping profits. Effected by exchange of notes signed at Washington March 10 and May 5, 1926. Effective from January 1, 1921. [Executive Agreement Series 10; 47 Stat. 2599.]

Trade-Marks

18. Declaration for the reciprocal protection of marks of manufacture and trade. Signed at Washington June 1, 1882. Effective June 1, 1882. [Treaty Series 180; 23 Stat. 726.]

This notification will be deemed to be effective on the date of the present note.

It is understood, of course, that either of the two Governments may propose revisions in any of the treaties or other agreements mentioned in the above list.

Further, it shall be understood that any of the provisions in the treaties and other agreements listed in this notification which may be found in particular circumstances to be not in conformity with the Treaty of Peace shall be considered to have been deleted so far as the application of the Treaty of Peace is involved but shall be regarded as being in full force and effect with respect to matters not covered by the latter treaty.

The reciprocal copyright arrangement between the United States and Italy effected pursuant to the exchange of notes signed at Washington October 28, 1892, and the exchanges of notes signed at Washington September 2, 1914, February 12, March 4, and March 11, 1915 will be the subject of a separate communication.

The agreement for the protection of trade-marks in Morocco, effected by exchange of notes signed at Tangier June 13, July 29, and December 19, 1903 and March 12, 1904 will also be the subject of a separate communication.

In compliance with paragraph 2 of article 44 of the Treaty of Peace, quoted above, the United States Government will register with the Secretariat of the United Nations the treaties and other agreements which are by this notification kept in force or revived.

Italy Grants Land for American Military Cemeteries

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND ITALY

[Released to the press February 12]

The Italian Embassy presents its compliments to the Department of State and has the honor to bring to the Department's attention a new provision adopted by the Italian Government with regard to American war cemeteries.

As known to the Department of State, article 3 of the agreement reached through an exchange of notes in September 1946 at Rome, between the Italian Ministry of Foreign Affairs and the United States Embassy, provides that "if in the future the Government of the United States wishes to establish permanent cemeteries or erect memorials in Italy, the Italian Government will exercise its power of Eminent Domain to acquire title to such sites and grant to the United States the right of use therein in perpetuity upon payment by the United States of cost compensation therefor."

Upon instructions received, the Italian Embassy has the honor to inform the Department of State that the Italian Government, wishing to give a token of friendship to the Government and people of the United States, has now decided to grant the American Government the free use of the sites selected for the establishment of war cemeteries.

It would have been the sincere desire of the Italian Government to proceed to a veritable donation of the land involved, but it was not possible to reach such a solution because not consented by existing regulations. On the other hand the advantages that the American Government will draw from such a free cession will be practically the same as those deriving from a donation, since the free use is granted for as long as the selected sites will be destined to military cemeteries.

In the light of the foregoing the Italian Government has the honor to request the American Government to consider the first paragraph of article 3 of the aforesaid agreement modified as follows: "The Italian Government grants gratuitously to the American Government the right of use of the sites selected for permanent American military cemeteries in Italy, to last as long as the American authorities will use such sites as war cemeteries."

WASHINGTON, D.C.,
December 18, 1947.

January 21, 1948.

EXCELLENCY:

I have the honor to acknowledge the receipt of your note no. 11332 of December 18, 1947 stating

that the Italian Government has decided, as a token of friendship to the Government and people of the United States, to grant to the Government of the United States the free use of the sites selected as permanent United States military cemeteries and proposing that the first paragraph of Article 3 of the agreement reached by an exchange of notes in September 1946 between the Italian Ministry of Foreign Affairs and the American Embassy at Rome be modified to read as follows: "The Italian Government grants gratuitously to the American Government the right of use of the sites selected for permanent American military cemeteries in Italy, to last as long as the American authorities will use such sites as war cemeteries".

I wish to express to you and through you to the Italian Government the profound appreciation of the Government and people of the United States for this most generous gift which will further strengthen the strong bonds of sympathy and friendship between our two countries. To all Americans, and particularly to those who lost their loved ones in the course of our common effort against the enemy, the land so graciously offered by the Italian Government will forever be hallowed land. On their behalf I assure you of the heartfelt thanks and gratitude for this most magnanimous gift.

The Government of the United States is happy to agree to the proposed change in Article 3 of the agreement.

Accept [etc.]

For the Secretary of State:

JOHN E. PEURIFOX

His Excellency

Signor ALBERTO TARCHIANI,
Italian Ambassador.

Supplementary Proclamation Issued on General Agreement on Tariffs and Trade

The President issued on January 30 a proclamation supplementing his proclamation of December 16, 1947 (No. 2761A, 12 F.R. 8863-8866), carrying out the general agreement on tariffs and trade which was concluded at Geneva on October 30, 1947, and entered into force with respect to a number of countries on January 1, 1948. Proclamation 2769 is in 13 *Federal Register* 467.

Department of State Bulletin

Trade and Financial Discussions With Sweden Held ¹

SUMMARY OF DEVELOPMENTS

The Department of State announced on February 11 that at the request of the Government of Sweden, in accordance with paragraph 8 of the understanding with regard to Swedish-American trade reached between the United States and Sweden on June 24, 1947,² discussions between representatives of the two Governments have recently been held concerning the financial and trade position of Sweden.

A serious trade and balance-of-payments problem now faces Sweden partly as a result of developments in the exchange position of other countries with which Sweden has important trading relationships and due partly to the operation of temporary regulations imposed to facilitate the transition to the more stringent import controls permitted by the provisions of the June 1947 understanding. In particular, a more serious drain on Sweden's gold and dollar holdings has developed than was anticipated during the conversations between the two Governments at the time this understanding was reached. In the course of the recent discussions the situation facing Sweden was carefully examined and all possible solutions were explored. It was pointed out that Sweden has been and is taking steps to bring its dollar payments and receipts into equilibrium, except for a carry-over of import commitments covered by import licenses issued in 1947 and a seasonal deficit anticipated in the first quarter of 1948.

In order to make it possible for the Swedish Government to take requisite measures to meet its balance-of-payments difficulties and because the quantitative commitments with respect to imports into Sweden from the United States, contained in paragraph 5(c) of the June 1947 understand-

ing between the two Governments, have, in general, been fulfilled, the United States Government has agreed not to invoke the provisions of paragraph 5(c) during the remaining period covered by the understanding, which ends June 30, 1948. During this period, Sweden's import programming will be based on the essentiality of imports, with the exception of cases involving undue hardship for American exporters, which are subject to specific provisions set forth in an exchange of memoranda which is appended to this release. With respect to the period following June 30, 1948, the two Governments have agreed to undertake negotiations with a view to the temporary relaxation of the requirements of articles II and VII of the trade agreement of 1935 along the lines of the balance-of-payments provisions of the general agreement on tariffs and trade concluded at Geneva, Switzerland, on October 30, 1947, between the United States and 22 other signatories. Both Governments consider these provisions appropriate under the circumstances. These provisions would permit countries facing certain balance-of-payment difficulties to program imports on an essentiality basis.

The Government of the United States has also recognized the necessity for Sweden to defer payments to the extent necessary to prevent Sweden's gold and dollar holdings from falling below a minimum working balance.

Under the present circumstances and in view also of the above arrangements, a Government-to-Government credit was agreed not to be appropriate. The Swedish Government, therefore, has not applied for such a credit.

The understanding arrived at between the two Governments has been embodied in an exchange of memoranda and letters, the texts of which follow.

CORRESPONDENCE RELATING TO TRADE AND FINANCIAL DISCUSSIONS WITH SWEDEN

Memorandum from the U.S. to Sweden ³

The Government of the United States of America wishes to refer to discussions which have recently been held between its representatives and those of the Government of Sweden concerning the problems faced by the Government of Sweden as the result of its serious loss of gold and dollar exchange. These discussions have resulted in a mutual understanding between the two Governments as follows:

1. After a careful examination of the facts relating to the payments position of Sweden it is

recognized that a temporary suspension of the commitments undertaken by the Government of Sweden in paragraph 4 of its *aide-memoire* dated June 24, 1947 is necessary to permit the Government of Sweden to meet its present payments difficulties. The principles governing the temporary suspension of paragraph 4 of the cited

¹ Released to the press Feb. 11, 1948.

² BULLETIN of July 6, 1947, p. 42.

³ A corresponding memorandum was transmitted from the Government of Sweden to the Government of the United States.

aide-memoire are set forth in a letter dated February 11, 1948 from Mr. Aminoff, Swedish Chargé d'Affaires, to Mr. Thorp, Assistant Secretary of State for Economic Affairs.

2. The Government of the United States recognizes that the commitments undertaken by the Government of Sweden in paragraph 5(e) of its *aide-memoire* dated June 24, 1947 with respect to quotas applicable to the importation of commodities listed in Schedule I of the Commercial Agreement between the two Governments signed May 25, 1935, have, in general, been fulfilled, total imports being in excess of the total of the amounts stipulated. In view of this development, caused substantially by the operation of the transitional rules applied by the Government of Sweden, and because of the serious and unanticipated deficit incurred by Sweden in its balance of payments which has resulted in serious loss of gold and convertible foreign exchange, the Government of the United States agrees not to invoke, for the six months period ending June 30, 1948, the provisions of paragraph 5(c) of the Swedish *aide-memoire* dated June 24, 1947, with respect to the application of Swedish import controls to the importation of items listed in Schedule I of the Commercial Agreement of 1935.

3. In applying quantitative restrictions necessary to safeguard its external financial and balance of payments position to all imports from the United States, including those listed in Schedule I, the Government of Sweden will issue licenses to cover hardship cases in connection with contracts (previously based on valid import licenses, wherever necessary, or assurances thereof) involving goods which have been, or are, in the process of being specifically made or prepared for use in Sweden. Favorable consideration will also be given to cases involving goods for which, in connection with contracts, specific preparations have been made for shipment to Sweden.

4. Because of the large deficit in the Swedish balance of payments with the hard currency areas of the world, it is recognized that the Government of Sweden is faced with the necessity of taking measures to correct its present imbalance of trade, and to conserve its foreign exchange.

5. It is, therefore, understood between the Governments of Sweden and the United States that the balance of payments problems of Sweden are similar to those of other countries which gave rise to the provisions of the General Agreement on Tariffs and Trade, concluded at Geneva, Switzerland, on October 30, 1947 by the United States and twenty-two other signatories and that, therefore, the two Governments agree to undertake negotiations with a view to the temporary relaxation of the requirements of Articles II and VII of the Commercial Agreement of 1935, to become effective July 1, 1948 along the lines of the balance of payments provisions of the General Agreement on

Tariffs and Trade, which both Governments consider appropriate under the circumstances.

DEPARTMENT OF STATE
Washington
February 11, 1948

Exchange of Letters Between the U.S. and Sweden

February 11, 1948.

MY DEAR MR. SECRETARY:

Reference is made to the Minister's letter of June 24, 1947 setting forth the policies of the Swedish Government in connection with foreign exchange transactions between Sweden and the United States. It will be recalled that the final paragraph of the letter reads as follows:

"If unforeseen circumstances require temporary modification of the principles set forth above, the Government of Sweden in accordance with the provisions of its memorandum of June 24, 1947, will review the situation with the Government of the United States".

Last December the Government of Sweden, having decided that the payments position of Sweden required a further review with the Government of the United States, initiated discussions on the subject in Washington. It was pointed out in the discussions that Sweden has been and is taking steps to bring its payments and receipts into equilibrium for 1948, except as to a carryover of import commitments covered by import licenses issued in 1947 and a seasonal deficit anticipated during the first quarter of 1948.

After careful examination of the facts, it now appears advisable to find a solution of Sweden's immediate payments difficulties through (a) reduction of import commitments referred to in the foregoing paragraph insofar as this is feasible and through (b) temporary modifications of the policies described in the letter, already cited, governing payments and transfers to the United States, involving deferments of such payments and transfers. In accordance with (b) above, the Government of Sweden therefore proposes that in cases where the authorizing of a payment between Sweden and the United States would cause Swedish gold and hard currency assets to fall below a minimum working balance, a reasonable delay in authorizing such payment will not be considered a violation of paragraph 4 of the Swedish *aide-memoire* of June 24, 1947 or of the terms of the Minister's letter of the same date.

The Swedish Government considers the above proposal as an exceptional and temporary measure which it intends to withdraw as soon as Sweden's reserves of gold and convertible foreign exchange reach such levels that payments and transfers may be made to the United States on a current basis without adversely affecting Sweden's payments

position. Accordingly, my Government would be pleased to have a review of the situation whenever either of our Governments considers that such action would be appropriate. It is the understanding of my Government that the temporary arrangements outlined in this letter would remain in effect until terminated or modified following a review of the situation as provided above.

Sincerely yours,

ALEXIS DE AMINOFF

MR. WILLARD L. THORP
Assistant Secretary for Economic Affairs
Department of State
Washington, D.C.

February 11, 1948.

MY DEAR MR. CHARGÉ D'AFFAIRES :

I have received your letter of February 11, 1948, setting forth the proposals of the Government of Sweden for temporary modification of the provisions of the letter from the Swedish Minister dated June 24, 1947, regarding foreign exchange transactions between Sweden and the United States.

It gives me pleasure to state that the provisions of your letter are acceptable to the Government of the United States.

Sincerely yours,

WILLARD L. THORP

MR. ALEXIS DE AMINOFF
Chargé d' Affaires ad interim of Sweden

America Gratified at Progress on Customs Union Between France and Italy

[Released to the press February 9]

The French and Italian Ambassadors on January 28, 1948, called on the Under Secretary of State to present copies of the final report of the Mixed Commission for Study of a Customs Union between France and Italy. The Department has replied to the two Ambassadors as follows:

"The United States Government is gratified at the progress made by the Mixed Commission in studying the practical problems involved and particularly gratified that this study resulted in agreement that such a customs union is practicable. Realization of it and of an eventual economic union between France and Italy would be of historical importance not only for the two countries but for Europe as a whole. The United States Government will follow the further efforts of the two Governments to attain this objective with full sympathy and strong hope for their continued success."

Recovery of American Property Confiscated During Japanese Occupation of China

[Released to the press January 26]

The American Embassy at Nanking has reported that the Chinese Government has extended to June 30, 1948, the time limit for presentation of evidence by American nationals who claim ownership of, or interests in, property which the Chinese Government took over from the Japanese as enemy and puppet property. With respect to property in areas of China not yet recovered by the Chinese Government, documentary evidence of American interests is to be submitted within six months from the date of the recovery of the area. In view of this additional information the Department repeats with appropriate modifications statements which appeared in its announcement of November 14, 1947, on this subject.¹

Applications for the return of American-owned property which was located in China at the time of the Japanese occupation and which was seized by the Japanese and subsequently found in China should be submitted to the local branch of the Alien Property Liquidation Office of the Central Trust of China within whose jurisdiction such property is located. Branch offices are located in Shanghai, Tsingtao, Tientsin, Hankow, and Canton. Applications from American nationals in the United States should be sent to the American Consulate General in the appropriate one of those cities for forwarding to the branch office of the Central Trust in that city. No application form is prescribed. It is for these applications that the time limit has been extended from December 31, 1947 to June 30, 1948.

Applications for the return of American-owned property located in China at the time of the Japanese occupation and removed to Japan by the Japanese should be submitted to the American Embassy at Nanking for forwarding to the Reparations Commission of the Executive Yuan. No final date for submission of applications for the return of looted property has been established, but prompt submission is strongly recommended. The Far Eastern Commission in a policy decision of July 18, 1946, specified four categories of goods which, if found in Japan and identified as having been removed from an Allied country fraudulently or under duress by the Japanese or their agents, are to be delivered to the Government of the Allied country. The four categories are: industrial and transportation machinery and equipment; gold, other precious metals, precious gems, foreign securities, foreign currencies, and other foreign-exchange assets; cultural objects; agricultural products and industrial raw materials. The specification of the four categories does not exclude the

¹ BULLETIN of Nov. 23, 1947, p. 1000.

possibility that other types of looted property found in Japan may be restored, upon proper identification, to the governments of the countries from which the property was taken.

American owners of property seized by the Japanese, the present location of which is not

known, may submit descriptions of the property and evidence of ownership to the Embassy at Nanking for forwarding to the Chinese Ministry of Foreign Affairs, which will enlist the aid of appropriate Chinese authorities in an attempt to find the missing property.

Regulations Released Regarding Trade With Japan

[Released to the press February 3]

American businessmen are now to be permitted to enter Japan and remain there for extended periods, the Departments of State and Commerce announced on February 3. The announcement supplements a release of February 3 on the same subject by the Supreme Commander for the Allied Powers (SCAP) in Tokyo.

Since August 15, 1947, American businessmen have been admitted to Japan for trade purposes. During this period original entry permits have been valid for visits of not more than 21 days, although those who have gone to Japan under these conditions have usually been able to secure SCAP permission to remain longer if necessary to conclude particular transactions. It is believed that many American businessmen have postponed travel to Japan until they could secure original entry permits valid for considerably longer periods of stay in that country. Under the new regulations American businessmen approved by the Department of Commerce and by SCAP will obtain entry permits valid initially for visits of 60 days; and in addition they will be permitted after arrival in Japan to apply for permission to remain on indefinitely, to secure entry permits for members of their families, and to establish more or less permanent residences in Japan.

The new regulations now established will permit a certain number of American and other Allied nationals who owned property in Japan prior to the war to go to Japan or send representatives there to act on their behalf in connection with all matters pertaining to their property rights and interests in Japan. Additional information outlining procedures to be followed by persons seeking return of their properties will be furnished later.

The new regulations have eliminated the country quotas which in the past have limited the number of entrants into Japan. Entry permits properly supported by sponsoring governments will now be considered and acted upon in the order of their receipt by SCAP.

Foreign businessmen who go to Japan will find conditions substantially different from those which prevailed in the prewar period, the Departments of State and Commerce caution. Trade continues to be closely controlled by the occupation authori-

ties for various reasons, among others to make certain that export proceeds are maximized, that such proceeds do not represent flight of capital or concealment of Japanese assets abroad, and that all such proceeds are available and are used to secure those commodity imports which are deemed most essential to the Japanese economy. The volume of export production is still below prewar levels in most lines; however, export production is expected to increase steadily, and in many lines, notably cotton and silk textiles, it is already substantial.

Businessmen are urged by the two Departments to communicate with Japanese individuals, Japanese business firms, foreign traders now in Japan, and the Japanese Government's Board of Trade (Boeki Cho) to secure information regarding export availabilities and general business conditions. Such information should be secured before a decision is made to invest in a trip to Japan or to set up semipermanent residence there. The Departments also pointed out that some transactions can be concluded without travel to Japan since regulations permit Americans to make Japanese individuals or firms their agents in negotiating contracts for the purchase of Japanese goods or for the sale of essential commodity imports to Japan. Department of Commerce offices can supply further information regarding this method of doing business with Japan.

Payment for hotel accommodations and other goods and services needed by foreign businessmen in Japan must be made either in special-type payment certificates purchasable for dollars or in Japanese yen purchased at the military conversion rate of 50 yen to \$1. Western-style hotel accommodations cost approximately \$10 a day for meals, room, and service. American businessmen who secure permission from SCAP to stay on in Japan beyond the 60-day initial period of entry may be required to provide their own logistic support outside of these hotels and independent of occupation-force facilities, and to demonstrate that their continued stay in Japan would expand the volume of Japanese foreign trade or otherwise promote the objectives of the occupation. In general, no more than two representatives from any single private firm and no family dependents or clerical assistants will be cleared for entry when their entry

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Eighth Pan American Child Congress, Washington, D.C., May 2-9, 1942. Conference Series 100. Pub. 2847. 647 pp. Limited distribution.

A discussion of the organization, final act, and sessions of the Eighth Pan American Child Congress, held beginning May 29, 1942, in Washington.

Recent Publications of the Department of State, January 1948. 4 pp. Free.

Significant publications released by the Department of State during the past three months.

Food Production: Cooperative Program in Peru. Treaties and Other International Acts Series 1647. Pub. 2956. 9 pp. 5¢.

Agreement Between the United States of America and Peru, Further Extending and Modifying Agreement of May 19 and 20, 1943—Effected by exchange of notes signed at Lima June 11, 1945, and November 22, 1946; entered into force November 22, 1946, effective August 31, 1945.

United States Armed Forces in Guatemala. Treaties and Other International Acts Series 1663. Pub. 2987. 4 pp. 5¢.

Agreement Between the United States of America and Guatemala—Effected by exchange of notes signed at Guatemala August 29, 1947; entered into force August 29, 1947.

Trusteeship for Former Japanese Mandated Islands: Agreement approved by the Security Council of the United Nations April 2, 1947. Treaties and Other International Acts Series 1665. Pub. 2992. 5 pp. 5¢.

Agreement approved by the President of the United States of America July 18, 1947, pursuant to authority granted by joint resolution of the Congress of the United States of America July 18, 1947; entered into force July 18, 1947.

Exchange of Official Publications. Treaties and Other International Acts Series 1668. Pub. 2999. 5 pp. 5¢.

Agreement Between the United States of America and Ecuador—Effected by Exchange of Notes Signed at Quito October 21 and 29, 1947; entered into force October 29, 1947.

¹Supplementing excerpts from *The President's Budget Message for 1949 and Selected Budget Statements*, which were printed in the BULLETIN of Jan. 25, 1948, p. 126.

would require the use of the western-style commercial hotel facilities that are maintained by the Japanese Government primarily for those going to Japan to engage in foreign trade. Commercial entrants will not be permitted to bring automobiles to Japan until they have arranged to secure gasoline and otherwise to maintain their vehicles without drawing upon occupation-force supplies or facilities. In this connection, however, the Department of Commerce pointed out that taxicabs are available to foreign businessmen in Tokyo and in most of the other cities which foreign traders are likely to visit.

Commercial entrants during their stay in Japan may seek restoration of properties or exercise limited power of attorney for others seeking such restoration. This represents a change from regulations which have been in effect during the period in which commercial entrants were admitted for 21 days only, periods not long enough to make it worth while to initiate restoration proceedings.

SCAP has, of course, reserved the right to cancel at any time the entry permit of any individual who in the opinion of SCAP is not contributing to the achievement of the objectives of the occupation sufficiently to justify his continued stay or residence in Japan.

American businessmen who are interested in going or in sending representatives to Japan under the new regulations should apply to a Field Office of the United States Department of Commerce. That Department, after screening applications, will aid in securing the required entry permits which are issued by the military occupation authorities. This procedure is the same as that which has been in effect since August 15, 1947.

Addendum to the President's Budget on International Affairs and Finance¹

[Fiscal Years. In millions]

Function and program	Expenditure estimate, 1949	Anticipated supplemental appropriations	
		1948	1949
European Recovery Program	\$4,000	\$6,800	. . . .
Other foreign aid (including China)	440	300	\$450
Foreign informational and cultural program	17	6	20
Loan for United Nations headquarters construction	30	65	. . . .
United States participation in international organizations	4	. . . .	4
Philippine war veterans' benefits	16	. . . .	16
Philippine rehabilitation	(*)	(*)
War damage claims	17

*Less than one-half million dollars.

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Contributors

James Simsarian, author of the article on German assets, is American member of the Committee of Experts on Enemy Property Custodianship of the Inter-Allied Reparation Agency and Special Assistant to the U.S. Delegate to the Inter-Allied Reparation Agency.

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IMPACT OF THE UNITED NATIONS UPON DOMESTIC JURISDICTION

By *Ernest A. Gross*

Legal Adviser

With Biblical completeness, article 2 of the Charter of the United Nations sets forth "seven" principles, which the organization and its members, in pursuit of the lofty purposes set forth in article 1, accept. The seventh and last of these reads:

"Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII."

The framers of the Charter recognized that in the carrying out of the terms of the Charter—worthy as the purposes are—there were points at which the organization should not impinge on the domestic jurisdiction of any state.

The origin of the provisions of article 2 (7) of the Charter, for the most part, is found in chapter VIII (A), paragraph 7, of the Dumbarton Oaks Proposals, which reads:

"The provisions of paragraph 1 to 6 of Section A (dealing with the 'Pacific Settlement of Disputes') should not apply to situations or disputes arising out of matters which by international law are solely within the domestic jurisdiction of the state concerned."

Apart from the difference in wording between this provision and that which later found its way into the Charter, the scope of the provision was greatly broadened by placing it in article 2 of the Charter instead of in the chapter dealing with the "Pacific Settlement of Disputes", as was done

at Dumbarton Oaks. The setting of the article makes it applicable to the entire Charter, except as to "the application of enforcement measures under Chapter VII".

Dumbarton Oaks Proposals

Numerous amendments of the Dumbarton Oaks Proposals were proposed at San Francisco. A subcommittee of jurists of the sponsoring powers evolved a text on the subject which, with one exception based on a subsequent Australian amendment, forms the text of article 2 (7) as it now stands. That text was introduced by the sponsoring powers as a joint amendment.

The first effect of the paragraph as incorporated in the Charter is that the United Nations cannot "intervene" in certain situations. Messrs. Goodrich and Hambro point out in *Charter of the United Nations, Commentary and Documents* that—

" . . . What the provision means is that the Organization shall not exercise any authority, not even make recommendations of any kind, with respect to any matter 'essentially within the domestic jurisdiction' of a state. Nor shall it attempt to promote the solution of any conflict when it is found that the matter falls within the domestic jurisdiction of one of the parties to the dispute."

Limits of the Exception

The only exception contained in the sponsoring powers' joint proposal and in article 2 (7) of the Charter relates to the action which the Security Council may take under chapter VII of the Charter. This exception is not great. Chapter

VII has to do with "Action With Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression". A situation cannot be imagined which could be said to constitute a threat to the peace, a breach of the peace, or an act of aggression, and nevertheless be "essentially within the domestic jurisdiction" of any state. The concepts are clearly mutually exclusive.

But the exception is even narrower than appears. It was pointed out at San Francisco that two different types of action are contemplated by chapter VII of the Charter: (1) "recommendations" and (2) "enforcement" action.

Should measures of enforcement be necessary, the Security Council should not, it was urged, be deterred by the contention that a domestic matter was involved. So far as recommendations by the Security Council were concerned, it was urged, there should be no inference that the Security Council might make recommendations to states with respect to the settlement of domestic matters. After considerable debate, this view prevailed and article 2 (7) was limited to an exception with respect to "the application of enforcement measures under Chapter VII."

But it should be pointed out that Herbert Vere Evatt explained, on behalf of the Australian Delegation, that "To take enforcement action for restraint of aggression is not intervening in any way at all in a matter of domestic jurisdiction."¹ The same view was taken by the Foreign Relations Committee of the Senate of the United States, which commented in its report on the Charter that "If the Security Council, acting under Chapter VII, decided upon enforcement action, it would be deciding that the matter threatened international peace and security and, therefore, had already gone beyond the limits of domestic jurisdiction."²

It is therefore clear that the intention in limiting the exception to article 2 (7) to "the application of enforcement measures under Chapter VII," was that other measures contemplated under chapter VII were not to be such as to constitute intervention in matters which are essentially within the domestic jurisdiction of any state.

Security Council Measures Under Chapter VII

What are the measures which the Security Council is authorized to take under chapter VII?

By the provisions of the chapter, the Security Council is authorized to determine the existence of any threat to the peace, breach of the peace, or act of aggression and to make recommendations or decide what measures shall be taken in accordance with articles 41 and 42 to maintain or restore international peace and security.

Article 41 provides that the Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.

Should the Security Council consider that measures provided for in article 41 would be inadequate or have proved to be inadequate, article 42 authorizes it to take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security.

Under article 40, the Security Council may also call upon the parties concerned to take provisional measures. The measures contemplated under chapter VII accordingly fall into two classes, referred to in article 50 as "preventive" or "enforcement" measures.

It appears, therefore, that the Security Council may not make a recommendation with respect to "preventive" measures, as distinguished from "enforcement" measures, which amounts to intervention in matters which are essentially within the domestic jurisdiction of any state.

Limitations of General Assembly

If the Security Council's recommendations of a "preventive" character are so limited, what of recommendations of the General Assembly?

In his comment upon the effect of placing in chapter I of the Charter the limitation with respect to intervention in matters essentially within the domestic jurisdiction of a state, Secretary of State Stettinius said:

"To extend this principle to the activities of the Organization as a whole, instead of limiting it to

¹ UNCTO doc. 969. I/1/39, June 14, 1945.

² S. Exec. Rept. S, 79th Cong., 1st sess., pp. 10-11. (Charter of the United Nations.)

the pacific settlement of disputes as had been proposed at Dumbarton Oaks, seemed desirable because of the amplification of the power and authority given to the Assembly and, particularly, to the Economic and Social Council. Without this general limitation, which now flows from the statement of the principle in Chapter I, it might have been supposed that the Economic and Social Council could interfere directly in the domestic economy, social structure, or cultural or educational arrangements of the member states. Such a possibility is now definitely excluded. The general limitation also qualifies the power of the General Assembly under Article 10 with respect to the making of recommendations to the Members of the Organization.”³

Other Differences Between Charter and Dumbarton Oaks Proposals

There are other significant differences between the provisions of article 2 (7) of the Charter and the predecessor provision in the Dumbarton Oaks Proposals. Chapter VIII (A), paragraph 7, of the Dumbarton Oaks Proposals would have excluded matters “solely within the domestic jurisdiction of the state concerned”. Article 2 (7) of the Charter excludes matters “essentially within the domestic jurisdiction of any state”. The change from “solely” within the domestic jurisdiction, to “essentially” within the domestic jurisdiction, was made at San Francisco for the reason that “under modern conditions what one nation does domestically almost always has at least some external repercussions”.⁴

Moreover, the words “of the state concerned” were dropped, as they had occurred in the Dumbarton text, and the words “of any state” inserted in the same phrase, which then read “essentially within the domestic jurisdiction of any state”.

The limitation as expressed at Dumbarton Oaks was confined to “matters which by international law are solely within the domestic jurisdiction” of the state. At San Francisco the phrase “which by international law” was dropped, apparently for the reason that there was a general lack of understanding as to the effect of the inclusion of the qualifying phrase. It was observed by Dr. Evatt, of Australia, that the rejection of the words “by international law” made no difference as there was available no other standard. His conception of matters falling within the domestic jurisdiction

was that they were those “in which, by definition, international law permits each state entire liberty of action”.

Finally, there was added at San Francisco the provision in article 2 (7) that nothing contained in the Charter “shall require the Members to submit such matters (domestic matters) to settlement under the present Charter”. The third of the principles enumerated in article 2 of the Charter reads: “All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.” As explained by Secretary of State Stettinius:

“ . . . It is quite conceivable that there might be an international dispute with reference to such matters as tariff, immigration, or the like, but where such a dispute relates to matters which are essentially domestic in character, settlement through international processes should not be required. It would of course remain true that . . . neither party to the dispute would be justified in resorting to force.”⁵

Economic and Social Council

But in addition to the drafting of article 2 (7) of the Charter, the San Francisco conference was also faced with the impact of the United Nations upon domestic jurisdiction in other respects.

By article 55 of the Charter, in chapter IX, dealing with “International Economic and Social Cooperation”, it was provided that “the United Nations shall promote:

“a. higher standards of living, full employment, and conditions of economic and social progress and development;

“b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

“c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.”

Chapter IX (A) of the Dumbarton Oaks Pro-

³ *Report to the President on the Results of the San Francisco Conference*, June 26, 1945, p. 44 (Department of State publication 2349).

⁴ *Ibid.*, p. 45.

⁵ *Ibid.*

posals had broadly suggested that provision be made in the Charter that "the Organization should facilitate solutions of international economic, social and other humanitarian problems and promote respect for human rights and fundamental freedoms."

The Dumbarton Oaks Proposals, however, contained no provision such as that contained in article 56 of the Charter that the members agree "to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55."

When it came to drafting the Charter, Australia proposed that all members should pledge "to take action both national and international for the purpose of securing for all peoples, including their own, improved labor standards, economic advancement, social security and employment for all who seek it" and to report annually upon steps taken.

Secretary of State Stettinius declared that "the United States Delegation deemed it perfectly appropriate for the member states to pledge themselves to cooperate with the organization for the achievement of these purposes."⁶ But he pointed out that the view was advanced "that the further element in the Australian proposal calling for national action separate from the international organization went beyond the proper scope of the Charter of an international organization and possibly even infringed on the domestic jurisdiction of member states in committing them to a particular philosophy of the relationship between the government and the individual."⁷ Secretary of State Stettinius concluded in his report to the President:

"The pledge as finally adopted was worded to eliminate such possible interpretation. It pledges the various countries to cooperate with the organization by joint and separate action in the achievement of the economic and social objectives of the organization without infringing upon their right

to order their national affairs according to their own best ability, in their own way, and in accordance with their own political and economic institutions and processes."⁸

There was included in the report of Committee 3 of Commission II, which dealt with the matter, the following statement:

"The members of Committee 3 of Commission II are in full agreement that nothing contained in Chapter IX can be construed as giving authority to the Organization to intervene in the domestic affairs of member states."⁹

This was done, the Senate Foreign Relations Committee explained, "In order to make it entirely clear that in making its studies and investigations of economic and social problems, the General Assembly and the Economic and Social Council would not intervene in the domestic affairs of member countries."¹⁰

Secretary Stettinius also stated in his report to the President that—

"Unlike the Security Council, the Economic and Social Council was not to have any coercive powers. The proposals recognized that in social and economic matters an international organization could aid in the solution of economic and social problems but could not interfere with the functions and powers of sovereign states. It could not command performance by individual member nations; it should not reach into the domestic affairs of Members. Its tools and procedures are those of study, discussion, report, and recommendation. These are the voluntary means of a free and voluntary association of nations."¹¹

Indonesian Question

The Ukraine brought the Indonesian question to the attention of the Security Council, meeting in London in its first session, by a communication of January 21, 1946. Reference was made to the situation in Indonesia, and it was stated that "during several months, military actions directed against the local population have been waged, in which British forces as well as Japanese enemy armed forces are taking part". It was further alleged that there existed "a state of threat to the maintenance of international peace and security" within the meaning of article 34 of the Charter.

⁶ *Ibid.*, p. 115.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ Report of the Rapporteur of Commission II/3 to Commission II, UNCTO doc. 861, II/3/55 (1), June 8, 1945.

¹⁰ S. Exec. Rept. 8, 79th Cong., 1st sess. (Charter of the United Nations.)

¹¹ *Report to the President on the Results of the San Francisco Conference*, June 26, 1945, p. 111 (Department of State publication 2349).

The Security Council was asked to carry out the necessary investigations and to take the measures provided in the Charter "to put an end to the present situation".¹² Although the proposal was placed on the agenda of the Security Council and considered, beginning in early February 1946, it was lost upon vote in the Council.

During the course of the discussion, involving as it did discussion of the presence of British troops in Indonesia, the British Foreign Minister, Ernest Bevin, called attention to article 2 (7) of the Charter and said:

" . . . Are we always going, when internal troubles arise, to be sending commissions to investigate and deal with the problems arising within a sovereign power? I cannot agree to it as a question of principle.

"The question of what is done in Indonesia is a matter for the Dutch Government of their own volition, and I do think, as I read the Charter, we are not entitled to interfere or we should be landed as a Security Council in every possible kind of circumstance of that kind, whatever it was".¹³

Andrei Vyshinsky, chief of the Soviet delegation, thought the objection unfounded. He said:

" . . . Article 2, paragraph 7, refers to matters which are essentially within the domestic jurisdiction of a State. There are matters, however, which, though formally comprised in the domestic jurisdiction of a given state, border upon external political relations, or even encroach directly upon external political relations, threatening the peace and security of the peoples. Such matters cannot be left to be settled by the state itself, notwithstanding the principle of sovereignty."¹⁴

He referred to the mission sent to Greece to supervise elections, to the mission on Polish affairs, to Sir Archibald Clark-Kerr's mission to Indonesia, and asked "Whence this inequality?"¹⁵

Indians in South Africa

The significance of article 2 (7) was again presented in connection with the discussion in the General Assembly of the treatment of Indians in South Africa. In June 1946 the Government of India requested that this subject be included in the provisional agenda for the second part of the

first session of the General Assembly. On October 24, 1946, during the meetings of the General Committee, the representative of South Africa requested that the item be removed from the agenda for the reason that the question concerned not Indian nationals, but Indians, nationals of South Africa, and was one essentially within the domestic jurisdiction of South Africa under article 2 (7). The item was retained on the agenda and referred by the General Assembly to the First and Sixth Committees jointly.

The representative of India submitted that the Union of South Africa's discriminatory treatment of Indians on the grounds of race constituted a denial of human rights and fundamental freedoms contrary to the Charter; and that the Union's policy in general and the enactment of the Asiatic Land Tenure and Indian Representation Act of 1946, in particular, impaired friendly relations between the two member states. The Capetown agreement of 1927 and a joint communiqué of 1932 were particularly relied upon by the Representative of India.

The Government of the Union of South Africa admitted that certain restrictive measures had been enacted by the South African Government following World War I. But it stated that the Capetown agreement of 1927 was an attempt to obviate restrictive measures, and that in that agreement India formally recognized the right of South Africa "to use all just and legitimate means for the maintenance of Western standards of life"; that by it, India also pledged herself to cooperate in a scheme of assisted immigration of Indians from South Africa to India, and that South Africa was to assimilate the remaining Indians as far as practicable to western standards of life. India, South Africa asserted, had failed to cooperate in the program of immigration of Indians to India, and though the situation of the Indians was greatly improved, the number of Indians increased rather than decreased. By the Asiatic Land Tenure and Indian Representation Act of 1946, he explained, the situation of Indians was improved by formal recognition, given for the first time to the South African Indian popu-

¹² *Journal of the Security Council*, no. 2, Jan. 24, 1946, p. 15.

¹³ *Ibid.*, no. 11, Feb. 15, 1946, pp. 197, 198.

¹⁴ *Ibid.*, pp. 207-208.

¹⁵ *Ibid.*, p. 208.

lation, as members of the South African community. They were given two seats in the Provincial Council of Natal. While the act prevented Indians from acquiring land in certain areas reserved for white occupation, and vice versa, there was no discrimination, South Africa urged, as the law applied equally to Europeans and Indians.

The South African representative maintained that the Capetown agreement of 1927 and the joint communiqué of 1932 were not instruments giving rise to treaty obligations.

The Representative of South Africa strenuously urged that the problems fell within the domestic domain of the state and that its action could not be called into question by other states. He proposed that the General Assembly request an advisory opinion from the International Court of Justice on the question whether the matter was, under article 2 (7) of the Charter, essentially within the domestic jurisdiction of the Union of South Africa.

The matter was the subject of numerous proposals and of prolonged discussion in the Joint Committee. Finally, on December 7, 1946, the Assembly, by resolution, took note of the Indian application regarding the treatment of Indians in the Union of South Africa. It stated that, because of that treatment, friendly relations between the two states had been impaired and that unless a satisfactory settlement were reached, these relations were likely to be further impaired. It expressed the opinion that "the treatment of Indians in the Union should be in conformity with the international obligations under the agreements concluded between the two Governments, and the relevant provisions of the Charter". The two Governments were requested to report at the next session of the General Assembly the measures adopted to this effect.

The issue would have been clarified had an opinion of the International Court been obtained. South Africa proposed this procedure. Many representatives, however, opposed the suggestion on the ground that the political aspects of the question far outweighed its legal aspects.

Human Rights

The preamble to the Charter of the United Nations states that the peoples of the United Nations are determined "to reaffirm faith in fundamental human rights".

Article 1 (3) of the Charter recites that the United Nations has as one of its purposes "To achieve international cooperation . . . in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion".

Article 55 of the Charter contains provision that "the United Nations shall promote . . . universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." (Great emphasis was placed on this article in the South African case.)

Article 56 further provides that "All Members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55."

And by article 62 the Economic and Social Council is empowered to "make recommendations for the purpose of promoting respect for, and observance of, human rights and fundamental freedoms for all."

Also, it should be added, one of the basic objectives of the International Trusteeship System is "to encourage respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion". (Article 76.)

One is impressed by a study of the provisions proposed for the projected Bill of Human Rights to ascertain how widely they range upon fields customarily viewed as of domestic concern. The documents treat of rights not only of aliens within the state but also of the rights of nationals with respect to their own state. They contain provisions with respect to liberty, equality, nondiscrimination, inviolability of person, home, correspondence, residence, emigration, property; freedom of religion, of speech, of the press, freedom of assembly, of association, of petition, and a wide sweep of social and economic rights. It comes almost as a surprise to recall that only to the extent to which states have circumscribed their freedom to control these matters by treaty have they passed out of domestic control.

The Human Rights Commission, at its second session, held in Geneva in December 1947, prepared for circulation to the member states a "Draft International Declaration on Human Rights," and also a "Draft International Covenant on Human Rights."

It was envisaged at Geneva that the Declaration finally evolved should be approved by the General Assembly. It would not be law as the Assembly is, of course, not a law-making body. Rather, the imprimatur of the General Assembly on the boldly written Declaration would set a standard, and the Declaration would constitute a body of lofty aspirations as a guide to states.

The Covenant, on the other hand, would be subject to ratification or accession and become a legally binding instrument.

For the United States, and many other states, the task is not too difficult. True, we in this country have traditionally been somewhat skeptical of extending the range of treaty subject matter. However, wedded as we are to ancient common law and constitutional guaranties of fundamental human rights, it is to be expected that, conformably to the principles of the Charter, the United States will agree with other members of the United Nations that the United States will not—so far as it is concerned—deny these rights.

What the enumerated rights will be, has, of course, yet to be determined. The views of members of the United Nations must be submitted and studied; the Drafting Committee of the Human Rights Commission, the Human Rights Commission itself, and the Economic and Social Council, each will give further consideration to the drafting of the Bill of Human Rights, prior to its consideration by the General Assembly.

Exceptions From Compulsory Jurisdiction of the Court

By article 36, paragraph 2, of the Statute of the International Court of Justice, states parties to that document may at any time declare that they recognize as compulsory *ipso facto* and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the Court in all legal disputes concerning (a) the interpretation of a treaty; (b) any question of international law; (c) the existence of any fact which, if established, would constitute a breach of an international obligation; and (d) the nature or extent of the reparation to be made for the breach of an international obligation.

In its declaration accepting the compulsory jurisdiction of the Court, under the so-called Op-

tional Clause, the Government of the United States stated that "The declaration does not apply to . . . (b) disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America as determined by the United States of America."

Nor was such a qualification upon acceptance of the Optional Clause entirely new. For example, the declaration of France accepting compulsory jurisdiction—a declaration filed under the Statute of the Permanent Court of International Justice but which remains still in effect by virtue of article 36 (5) of the Statute of the new Court—excepts therefrom "disputes relating to matters which are essentially within the national jurisdiction as understood by the Government of the French Republic."

The declaration filed on behalf of the United Kingdom (also originally filed under the old Statute), to cite another example, excepts from its scope "disputes with regard to questions which by international law fall exclusively within the jurisdiction of the United Kingdom". Other states, including the Union of South Africa, Australia, Canada, India, Iran, and New Zealand, have a similar exception in their declarations.

Under the old Court, eight other states—Yugoslavia, Albania, Rumania, Poland, Argentina, Brazil, Iraq, and Egypt—also included such an exception in their declarations accepting the compulsory jurisdiction of the Court.

The recent declaration filed by Mexico specified that it shall "not apply to disputes arising from matters that, in the opinion of the Mexican Government, are within the domestic jurisdiction of the United States of Mexico".

Because of the reciprocal character of these declarations, any country which has filed a declaration accepting the compulsory jurisdiction of the Court, may, in any dispute with a country that has filed such a declaration, including a condition of reciprocity, take advantage of such provision and except from the Court's jurisdiction any case which *it* considers within its domestic jurisdiction. Hence, the effects of filing such declarations containing an exception with respect to "domestic" matters, are not limited to the states filing the declaration containing the exception.

Tunis-Morocco Nationality Decrees

A reference may be made here to the celebrated decision of the Permanent Court in the case of the Tunis-Morocco nationality decrees.

By article 13 of the Covenant of the League of Nations, the members of the League agreed to submit disputes, which could not be satisfactorily settled by diplomacy, to arbitration or judicial settlement. Under the provisions of article 15 (1), it was further provided that should "any dispute likely to lead to a rupture . . . (be) not submitted to arbitration or judicial settlement in accordance with article 13," the members agreed that they would submit the matter to the Council of the League.

Article 15, paragraph 8, however, provided:

"If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement."

On October 4, 1922, the Council of the League adopted a resolution, at the instance of the British Government, concerning a dispute which had arisen between France and Great Britain as to nationality decrees issued in Tunis and Morocco (French Zone) on November 8, 1921, and their application to British subjects, the French Government having refused to submit the matter to arbitration. The Council decided by the resolution to refer to the Permanent Court of International Justice a request for its opinion whether the dispute "is or is not by international law solely a matter of domestic jurisdiction" within the meaning of article 15 (8) of the Covenant.

On February 7, 1923, the Permanent Court of International Justice gave a unanimous opinion that the dispute was, by international law, "not solely within the domestic jurisdiction of France".¹⁶

At the outset the Court stated that the words "solely within the domestic jurisdiction" contemplated matters which "though they may very closely concern the interests of more than one State, are not, in principle, regulated by interna-

tional law. As regards such matters, each State is sole judge."¹⁷

The Court further took the sound position that "The question whether a certain matter is or is not solely within the jurisdiction of a State is an essentially relative question; it depends upon the development of international relations." In "the present state of international law", it stated, "questions of nationality are, in the opinion of the Court, in principle within this reserved domain."

The French decrees related to persons born, not upon the territory of France itself, but upon the territory of the French protectorates of Tunis and Morocco (French Zone). Granted that France was competent to enact such legislation within its national territory, as the Court said, the question remained "whether the same competence exists as regards protected territory".

Now, the relationship of Great Britain to the protectorates was to be derived only from a whole network of treaties and arrangements. Thus, Great Britain relied, in part, upon her treaties of 1856 and 1875 with Morocco and with Tunis (antedating the protectorates) whereby British subjects were to enjoy a measure of extraterritoriality, incompatible with the imposition of another nationality. France, in turn, had certain treaties, dating from 1881, with respect to Tunis, and from 1912, with respect to Morocco, which might have a bearing upon whether the French nationality laws would extend to the protected states. Questions relating to the extent of the recognition of the protectorates by Great Britain, the renunciation of capitulatory rights by Great Britain, the effect of most-favored-nation provisions contained in an Anglo-French agreement, by virtue of which Great Britain invoked provisions of a French-Italian consular convention, which expressly contemplated the preservation of nationality by Italian subjects in Tunis, were also involved.

The effect of these various treaty stipulations—stipulations which the Court did not pass upon or otherwise interpret—would determine whether the nationality decrees were applicable to British subjects in the two French protectorates. The Court accordingly had no difficulty in concluding that "the question does not, according to international law fall solely within the domestic jurisdiction of a State".

¹⁶ Permanent Court of International Justice, series B, no. 4, pp. 7, 32.

¹⁷ *Ibid.*, pp. 23-24.

The Court was careful to point out that :

“It is . . . true that the mere fact that one of the parties appeals to engagements of an international character in order to contest the exclusive jurisdiction of the other is not enough to render paragraph 8 inapplicable.”¹⁸

In other words, the mere fact that one of the parties invokes an international agreement in order to contest the exclusive domestic jurisdiction of the other, is not sufficient to take the matter out of the domestic field and place it within the international jurisdiction. The criterion for determining when an otherwise domestic matter treated of in an international agreement takes on an international character, was stated by the Court to be whether the provisions of the international agreement “are such as to justify the provisional conclusion that they are of juridical importance” in the settlement of the dispute.¹⁹

Various other facets of the new international organization touch, or may touch, upon domestic jurisdiction. For example, the headquarters

agreement deals directly with various problems of jurisdiction at the site of the United Nations, and the convention on privileges and immunities deals particularly with problems of immunity from the local jurisdiction of the organization, its officers, of representatives to the organization, and its specialized agencies.

Article 2 (7)—its meaning and significance—comprises, therefore, an exceedingly difficult aspect of the Charter. Its meaning will doubtless be clarified and developed as it is tested in new situations. It is, of course, an utterly hopeless task to endeavor to state what is an “essentially domestic matter” at any given time, or to lay down any slide-rule test for determining what is or is not an “essentially domestic matter”. It varies with the particular facts at hand; it varies with the time, with the advance that is made in the area which comes to be recognized by states as proper for international concern and control. It is, in truth, a relative concept dependent upon the development of international relations.

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(Continued on page 280)

¹⁸ *Ibid.*, p. 26.

¹⁹ *Ibid.*, p. 26.

²⁰ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States

MESSAGE OF THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House February 18]

To the Congress of the United States:

On several occasions I have stated that a primary objective of the United States is to bring about, throughout the world, the conditions of a just and lasting peace. This is a cause to which the American people are deeply devoted.

Since V-J Day we have expended great effort and large sums of money on the relief and rehabilitation of war-torn countries to aid in restoring workable economic systems which are essential to the maintenance of peace. A principle which has guided our efforts to assist these war-torn countries has been that of helping their peoples to help themselves. The Congress is now giving careful consideration to a most vital and far-reaching proposal to further this purpose—the program for aid to European recovery.

I now request the Congress to consider the type of further assistance which this country should provide to China.¹

A genuine friendship has existed between the American people and the people of China over many years. This friendship has been accompanied by a long record of commercial and cultural association and close cooperation between our two countries. Americans have developed a deep respect for the Chinese people and sympathy for the many trials and difficulties which they have endured.

The United States has long recognized the im-

portance of a stable Chinese nation to lasting peace in the Pacific and the entire world. The vast size and population of China make her an important factor in world affairs. China is a land with rich tradition and culture and a large and energetic population. It has always been our desire to see a strong progressive China making a full contribution to the strength of the family of nations.

With this end in view, we have supported the National Government of China since it first came to power 20 years ago. China and the United States were allies in the war against Japan and as an ally we supported China's valiant war efforts against the Japanese. Since the Japanese surrender we have provided a great deal of additional assistance. Military aid was given the Chinese Government not only to help defeat the Japanese invaders but also to assist in reoccupying Japanese-held areas. The United States contributed the major share of the extensive aid received by China under the program of the United Nations Relief and Rehabilitation Administration. We made available to the Chinese Government at minimum cost large quantities of surplus goods and equipment of value to China's economy. We are currently extending further aid to China under our foreign relief program.

Nevertheless, the Chinese Government and people are still laboring under the double and interrelated burden of civil war and a rapidly deteriorating economy. The strains placed upon the country by eight years of war, and the Japanese occupation and blockade have been increased by internal strife at the very time that reconstruction efforts should be under way. The wartime

¹ Secretary Marshall transmitted on Feb. 18, 1948, to Senator Vandenberg, President pro tempore of the Senate, and to Speaker Martin of the House of Representatives, a copy of the proposed China aid bill.

damage to transport and productive facilities has been greatly accentuated by the continued obstruction and destruction of vital communications by the Communist forces.

The civil warfare has further impeded recovery by forcing upon the Government heavy expenditures which greatly exceed revenues. Continual issuances of currency to meet these expenditures have produced drastic inflation with its attendant disruption of normal commercial operations. Under these circumstances China's foreign exchange holdings have been so reduced that it will soon be impossible for China to meet the cost of essential imports. Without such imports, industrial activity would diminish and the rate of economic deterioration would be sharply increased.

The continued deterioration of the Chinese economy is a source of deep concern to the United States. Ever since the return of General Marshall from China, the problem of assistance to the Chinese has been under continuous study. We have hoped for conditions in China that would make possible the effective and constructive use of American assistance in reconstruction and rehabilitation. Conditions have not developed as we had hoped and we can only do what is feasible under circumstances as they exist.

We can assist in retarding the current economic deterioration and thus give the Chinese Government a further opportunity to initiate the measures necessary to the establishment of more stable economic conditions. But it is and has been clear that only the Chinese Government itself can undertake the vital measures necessary to provide the framework within which efforts toward peace and true economic recovery may be effective.

In determining the character and dimensions of the program which might be suited to this purpose, we have had to take into account a number of diverse and conflicting factors, including the other demands on our national resources at this time, the availability of specific commodities, the dimensions and complexities of the problems facing the Chinese Government, and the extent to which these problems could be promptly and effectively alleviated by foreign aid. United States assistance to China, like that provided to any other nation, must be adapted to its particular requirements and capacities.

In the light of these factors, I recommend that

the Congress authorize a program for aid to China in the amount of 570 million dollars to provide assistance until June 30, 1949.

The program should make provision for the financing, through loans or grants, of essential imports into China in the amount of 510 million dollars. This estimate is based upon prices as of January 1, 1948, since it is impossible at present to predict what effect current price changes may have on the program. Revised dollar estimates can be presented in connection with the request for appropriations if necessary. The essential imports include cereals, cotton, petroleum, fertilizer, tobacco, pharmaceuticals, coal and repair parts for existing capital equipment. The quantities provided for under this program are within the limits of available supplies. The financing of these essential commodity imports by the United States would permit the Chinese Government to devote its limited dollar resources to the most urgent of its other needs.

The program should also provide 60 million dollars for a few selected reconstruction projects to be initiated prior to June 30, 1949. There is an urgent need for the restoration of essential transportation facilities, fuel and power operations, and export industries. This work could be undertaken in areas sheltered from military operations and could help in improving the supply and distribution of essential commodities.

As in the case of aid to European recovery, the conduct of this program of aid should be made subject to an agreement between China and the United States setting forth the conditions and procedures for administering the aid. The agreement should include assurances that the Chinese Government will take such economic, financial, and other measures as are practicable, looking toward the ultimate goal of economic stability and recovery. The United States would, of course, reserve the right to terminate aid if it is determined that the assistance provided is not being handled in accordance with the agreement or that the policies of the Chinese Government are inconsistent with the objective of using the aid to help achieve a self-supporting economy.

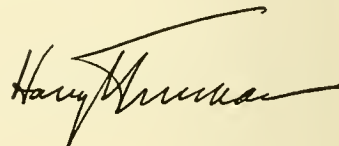
Pending establishment of the agency which is to be set up for the administration of the European Recovery Program, the assistance to China should be carried forward under the existing machinery now administering the foreign relief

programs. Legislation authorizing the Chinese program should make possible transfer of the administration of the Chinese program to the agency administering our aid to European recovery. The need for authority in the administering agency to make adjustments in the program from time to time will be as great here as in the European Recovery Program.

The proposed program of aid to China represents what I believe to be the best course this Government can follow in the light of all the circumstances. Nothing which this country provides by way of assistance can, even in a small measure, be a substitute for the necessary action that can be taken only by the Chinese Government. Yet this program can accomplish the important purpose of giving the Chinese Government a respite

from rapid economic deterioration during which it can move to establish more stable economic conditions. Without this respite the ability of the Chinese Government to establish such conditions at all would be doubtful. The achievement of even this limited objective is of such importance as to justify the proposed program of aid.

I recommend, therefore, that this program be given prompt and favorable consideration by the Congress.



THE WHITE HOUSE,
February 18, 1948.

STATEMENT BY SECRETARY MARSHALL¹

In consideration of a program of assistance to China, it should be recognized that for the main part the solution of China's problems is largely one for the Chinese themselves. The great difficulty in determining a basis and procedure to justify a program of assistance lies in the conditions which exist in China, military as well as economic.

Thus far, the principal deterrent to the solution of Chinese economic problems is the civil war, which has drained the Chinese Government's internal and foreign-exchange resources, continued the destruction of property and the constant disruption of economic life, and has prevented recovery. The Communist forces have brought about the terrible destruction to wreck the economy of China. This is their announced purpose—to force an economic collapse.

The Chinese Government is in dire need of assistance in its present serious economic difficulties. However, the political, economic, and financial conditions in China are so unstable and so uncertain that it is impossible to develop a prac-

tical, effective, long-term, over-all program for economic recovery. Nevertheless, it is desirable that the United States Government render assistance to China in her present critical situation in order to help retard the present rapid rate of economic deterioration and thus provide a breathing space in which the Chinese Government could initiate important steps towards more stable economic conditions.

While there are a multitude of factors in China that are involved in the consideration of such a program, the following appear of first importance:

China is a country of vast area and population. Through communications north of the Yangtze River are almost nonexistent except by coastal shipping. Local governments are often so corrupt that they are undependable for assistance in the administration of relief measures. The political control by long-entrenched groups is a great difficulty to be overcome in the restoration of China to economic stability. The conduct by the Government of the civil war now in progress, particularly in view of the geographic disadvantages—exposed and lengthy communications, and the inherent difficulties in dealing with guerrilla warfare—demands a high order of aggressive

¹ Made before the House Committee on Foreign Affairs on Feb. 20, 1948, and released to the press on the same date.

leadership in all major echelons of command, which is lacking. The civil war imposes a burden on the national budget of 70 percent or more, and the financing is now carried on by means of issuance of paper money. Industrial production is low and transportation facilities are poor, the lack of adequate transportation affecting particularly the movement of foodstuffs. The results are an extreme, really a fantastic, inflation of currency, and the inevitable speculation in commodities, as well as hoarding.

In considering the measures to be taken by the United States to assist China, it is very necessary, I think, to have in mind that a proposal at the present time cannot be predicated upon a definite termination for the necessity of such assistance as in the case of the European Recovery Program. Provision of a currency-stabilization fund would, in the opinion of our monetary experts, require large sums which would be largely dissipated under the present conditions of war-financing and civil disruption. In view of this situation, the program should not involve the virtual underwriting of the future of the Chinese economy. The United States should not by its actions be put in the position of being charged with a direct responsibility for the conduct of the Chinese Government and its political, economic, and military affairs.

The proposed program of aid for China would provide economic assistance in the amount of 570 million dollars for the period ending June 30, 1949. Of this amount, 510 million dollars would cover minimum imports of essential civilian-type commodities, chiefly foodstuffs and raw materials, and 60 million dollars would be for key reconstruction projects. The program concentrates on those commodities believed to be of maximum aid to Chinese civilian economy and those which will insure the greatest aid per dollar spent.

While the total import needs of China cannot be accurately estimated, in view of the generally disturbed and, in certain regions, chaotic conditions of production and trade, the need for the commodities listed can be demonstrated, we feel, with reasonable assurance. The program will therefore meet the most essential commodity requirements. China will need other imports, of course, including civilian-type commodities not included in the program, and military supplies. In addi-

tion, China has certain international financial obligations.

To meet these additional needs for foreign exchange, China will have available certain financial resources of her own. These include proceeds from exports; miscellaneous receipts from such sources as overseas remittances; the sale of surplus property; foreign government and philanthropic expenditures in China; and finally, to be called upon if necessary, China's reserves of gold and foreign exchange which were estimated as totaling the equivalent of 274 million dollars as of January 1, 1948. This amount would be increased to the extent the Chinese are able to bring about an improvement in their net foreign-exchange receipts. On the other hand, the amount will be reduced to the extent that reserves must be used, for lack of other available funds, to make necessary payments after January 1, 1948.

It is proposed, in the program submitted, that it would be administered by the agency or establishment of the Government created by law for the purpose of administering programs of assistance to foreign countries or, pending the establishment of such agency, temporarily by the Department of State in cooperation with the other agencies of the Government directly concerned. The conditions under which assistance is to be extended should be spelled out in an agreement with the Chinese Government, which would be based on the same considerations underlying the conditions for assistance to European countries but of necessity adjusted to the different conditions in China.

Statement by Secretary Marshall Praising Work of AMAG

[Released to the press February 16]

The President's Second Quarterly Report on Assistance to Greece and Turkey was submitted to the Congress today.

It is appropriate at this time to refer to the work of the American Mission for Aid to Greece. In the face of many difficulties, Governor Griswold and his staff are doing an outstanding job in carrying out their mission in accordance with the policies of this Government. I think the members of the Mission have a right to be proud of the work they are doing in this service to Greece and to the United States.

The Greek Situation

ADDRESS BY LOY W. HENDERSON ¹

Director, Office of Near Eastern and African Affairs

We must bear in mind general developments in Europe in order to understand American policies in Greece and the character of the difficulties which confront us in that country.

The recent publication of diplomatic documents relating to Soviet-German relations during the years 1939-1941 has helped to refresh our memory of the pact between the Soviet Union and Nazi Germany, which foreshadowed the partition of eastern Europe, the destruction of millions of innocent persons in that area, and the forceful deprivation of a number of eastern European countries of their independence. Unfortunately even after the collapse of the Axis, various peoples of eastern and southeastern Europe continued to be shorn of their liberties. The procedures by which these areas were taken over are also undoubtedly well known to you: use or threat of use of overwhelming armed forces, employment of police-state terror, shamelessly rigged elections, staged mass demonstrations, bluster and machinations by secret agents and terrorists disguised as diplomats or high military or civilian officials of Communist-controlled countries, and treacherous activities of Moscow-trained agents posing as local patriots.

The consequence of such Machiavellian oozing, trickling, and filtering is that the control of international Communism in eastern Europe now extends over a solid belt from the Arctic to the Adriatic and well into the heart of Germany. But it has not yet effectively penetrated to the Mediterranean. In their southward march, the international Communists have encountered some "firm obstacles" which, for the time being, have slowed up their progress. One of these is Turkey. Another is Greece, that sun-blached pile of rocks which two thousand years ago gave birth to our civilization and which today is struggling for the maintenance of its own independence, is defending its offspring against another of those waves of barbarism which so many times during the centuries have threatened to inundate all of Europe.

The will of the Greeks to retain their freedom was not instilled into them by the United States,

Great Britain, or any other of the peace-loving members of the United Nations. That will is inherent in the Greek people themselves. Throughout history they have given ample proof of their determination to defend their liberties: from the Pass of Thermopylae in 480 B.C. to the mountains of Albania only eight years ago, where, faced with overwhelming odds, they hurled back the Fascist invader at a time when Moscow was congratulating Berlin on the Nazi victories and when the outlook for the survival of democracy in Europe was dark indeed. It should be remembered that, now as then, it is the Greeks themselves who are bearing the brunt of the battle and suffering the predatory raids, the pillaging, the burning, and the massacres. It is the brave soldiers of Greece who every day are giving their lives to hold back the red tide of Communist invasion.

The preliminary reports in early 1947 of the United Nations Investigating Commission, in which Mark Ethridge performed such distinguished work as the American member, left no reasonable doubt as to the foreign origin and support of the Greek guerrilla movement. The reports during the same period of Paul Porter, who was in Greece as Chief of an exploratory American Economic Mission, stressed the precarious economic situation of the country, while the telegrams of Ambassador MacVeagh lent added emphasis to Greece's obviously critical political situation. At this juncture, in February 1947, the British informed us that, because of Britain's own financial plight, she would be obliged to discontinue further economic assistance to Greece.

President Truman, as you all know, determined that the time had come for American action, declaring in an historical address to Congress on March 12 that "the foreign policy and the national security of this country are involved." In accordance with the President's recommendation made on this occasion, Congress authorized the expenditure of 400 million dollars for aid to Greece and Turkey by Public Law 75 of May 22, 1947, 300 million dollars being earmarked for Greece. In addition, Greece was allotted about 40 million dollars of the funds appropriated under Public Law 84 of May 31, 1947, for post-UNRRA relief assistance abroad.

What has been accomplished with these public funds by the American Mission for Aid to Greece under the leadership of Mr. Dwight Griswold,

¹ Delivered before the Kentucky Women's Action Committee Forum at Louisville, Ky., on Feb. 18, 1948, and released to the press on the same date.

who at present heads a group of 160 Americans engaged in economic work, 190 military and naval personnel, and several hundred representatives of American contracting firms? In answering this question we should try to face the facts frankly, neither underestimating the results achieved nor deceiving ourselves with dangerous, self-satisfied optimism.

On the credit side, one of the principal accomplishments is that there still exists an independent and democratic Greece, a symbol of democracy, a beacon light of freedom on the edge of a region of darkness, a testimony to other free peoples of the determination of the United States to live up to its obligations as a leader of the world community of nations.

I should like to digress for a moment to explain why I refer to Greece as a symbol of democracy. I know that many sincere Americans have their doubts as to the democratic character of the Greek Government. By the familiar technique of ceaselessly distorting the truth, Communist-inspired propaganda has managed to convince many good people that the Greek Government is "monarcho-Fascist" or "collaborationist". Let us examine this oft-repeated charge. The Greek Government is a limited constitutional monarchy as the result of the choice of the Greek people. We prefer a republic for the United States. But that does not mean that we do not admit the right of other peoples to a free choice of their form of government. Great Britain has a King. Belgium, Holland, Denmark, Norway, and Sweden are monarchies. Do we for that reason condemn these countries and their political leaders?

It is difficult to see what is "Fascist" about the Greek Government. It so happens that none of its members participated in the Metaxas dictatorship which governed Greece before the war. None of them took part in the regimes set up by the Germans and Italians during the era of occupation. None of them advocates depriving the population of their civil rights or liberties. There can be no doubt that under stress and strain Greek Government officials and other loyal Greeks do at times commit acts which are not in strict accord with democratic concepts. If, however, Communist-led guerrillas with powerful foreign aid were making raids and destroying life and property in great areas of the United States, if Communists and their sympathizers in the free areas of the United States were openly praising these guerrillas and even surreptitiously aiding them, and if approximately 8,000,000 American citizens had been driven from their homes and were living as wards of the state, it is doubtful that we would be as restrained as the loyal Greeks have been and still are towards the guerrillas or towards the guerrilla sympathizers.

It is obvious, however, that other friendly nations have helped and must continue to help. The

Greeks, an impoverished people ravaged by war, cannot hold the line without aid from abroad, nor should they be expected to do so. For the battle of Greece now being waged is only one sector of the battle for the security of the democratic world. It is more than the struggle of a brave people for their national survival and is by no means merely an international competition over a strategic outpost. It is a battle for decency against darkness, a battle for human freedom and progress against primitive forces of terror and oppression.

The conspiracy against Greece is only a part of a wider plan formulated many years ago. It will be recalled that long before the outbreak of World War II, Communist doctrine stated:

"It is the essential task of the victorious revolution in one country to develop and support the revolution in others. So the revolution in a victorious country ought not to consider itself as a self-contained unit, but as an auxiliary and a means of hastening the victory of the proletariat in other countries.

"Lenin has tersely expressed this thought by saying that the task of the victorious revolution is to do the 'utmost possible in one country for the development, support and stirring up of the revolution in all countries'."

The groundwork for the "development, support and stirring up of the revolution" in Greece, according to the pattern of the leaders of international Communism, was carefully laid during the war years by the insinuation of Communists into the Greek Government-in-exile and by the creation of EAM, a supposedly nonpartisan Greek resistance group, and ELAS, its associated guerrilla force. It has become only too clear that EAM was in fact a Communist-front organization. Unfortunately, for some time many loyal Greeks as well as friends of Greece abroad were duped as to the real character of the EAM control.

With the liberation of Greece by the British in late 1944, the conspiracy began rapidly to mature. Instead of disbanding when it had no further pretext for existence, ELAS, which turned out to be nothing more than a Communist-controlled army, launched a well-prepared attack on Athens. A brief but appallingly bloody civil war ensued. Defeated in this civil war with the aid of British arms, several thousand members of ELAS, instead of joining other Greeks in the tasks of reconstruction, withdrew individually or in small groups across the northern border of Greece to await and prepare for still another Communist bid for power. This withdrawal was carried on under Communist instructions and with the connivance of the governments of Greece's northern neighbors. Meanwhile, within Greece itself, the Communist Party and its front organization, EAM, were allowed to resume their legal existence and were thus in a position to slander as reactionary

and oppressive the very Government which permitted them freedom of speech and press. This campaign of slander was accompanied by attacks on the western Allies and unrestrained praise for the governments of countries already under Communist control.

The conspiracy entered a new phase in 1946—after the Greek people had freely expressed their will and rejected Communism in an internationally observed plebiscite and elections—with the launching of the present guerrilla movement from the training camps of Yugoslavia, Albania, and Bulgaria.

The suggestion is frequently made that the United States should set up in Greece the precise kind of government which the American people would like, headed by leaders of American choosing. The United States is not in the business of making or breaking Greek governments, nor could we go into this business without justifying the charges of intervention and imperialism now so falsely leveled against us by Soviet propaganda or without weakening the confidence of the Greeks in themselves. The present Greek Government is a coalition enjoying the support of the overwhelming majority of the Greek Parliament. That Parliament, in turn, was chosen in elections in March 1946, which were certified by 1,155 foreign observers, including 692 Americans, as representing "a true and valid verdict of the Greek people." There may have been a swing in Greek public opinion one way or the other since 1946. It is difficult without new elections accurately to gage the state of current public opinion, and it would be physically impossible to hold new elections before order is restored without arbitrarily disenfranchising a great many voters. Meanwhile, little purpose is served by petty criticism which magnifies into a major scandal every human failing and every error of judgment of the statesmen freely chosen by the Greek people as their leaders. It seems wise to us to try to cooperate with these leaders. We would be equally disposed to cooperate with any other leaders who might enter the Government regardless of whether they might be of the Right, the Center, or the Socialist Left, provided we are satisfied that they enjoy the support of the democratic Greek people and that they are not the dupes, the fellow travelers, or the accomplices of totalitarian Fascism or Communism.

One of the essential characteristics of a democratic state is a free trade-union movement. Concerted efforts are being made to strengthen such a movement in Greece. These efforts meet certain obstacles, since trade-unionism in Greece has traditionally been weak and in the past has tended to be of political character. Trade-unions were in fact abolished altogether by the prewar Metaxas regime. Since last July, however, elections by secret ballot have been held under the scrutiny

of the courts in some 1,000 of the 1,300 local Greek unions in preparation for a Congress of the Greek Confederation of Labor. This Congress is scheduled to meet on March 28 to elect a new permanent executive committee. The Confederation has invited the AFL, the CIO, the British Trades Union Congress, and the ILO to send observers to this Congress in order to assist in checking the credentials of the delegates and the honesty of the balloting. Last December, alarmed by the Communist strike wave which was tying up France and Italy and fearing the outbreak of a strike which might undermine Greek resistance, the Greek Parliament hurriedly adopted a drastic antistrike law. This law was widely denounced by the Greek press and by foreign opinion as reactionary and ill-considered. The fact is that it has not been enforced. The Government has announced that it will not be enforced and that it will be repealed after the coming session of the Labor Congress.

I have digressed at some length from my discussion of the positive results of the American aid program in Greece, because I want to make it clear that in aiding Greece we are assisting a country with a Government which, although not perfect, is nevertheless essentially democratic. Certainly no other government in eastern or southeastern Europe is pursuing equally democratic or liberal policies.

Historical hypothesis is dangerous. Nevertheless, there can be little doubt that, if American aid had not been extended last year, democratic Greece would by now have been overwhelmed by the tide of red totalitarianism, probably after clutching for a while at the straw of right-wing dictatorship as a last hope of survival. Possibly, also, other neighboring nations would have been drawn down in their turn by the vortex of the Greek collapse. What is certain is that the fact of Greek survival has had very significant, if not strictly measurable, international consequences during the past year. For example, the declining internal influence of Communism in France and Italy and the reorientation of French foreign policy towards the West can be attributed, in part at least, to the firm stand taken by the United States with respect to Greece. Even more important, American economic aid to Greece has provided both an inspiration and a field of laboratory experiment for the broader European Recovery Program, which, it is hoped, will enable the 16 cooperating European nations, with the help of the United States, to work out their own rehabilitation within the framework of peace and democracy.

On the debit side, we must face the fact that, while Greece has held its own with the support of the United Nations and with our aid, the battle has not as yet been won. There is as yet no assurance of victory. On the contrary, the present

military stalemate—and the situation must be described as such—suits to an extent the purpose of the enemies of Greek independence. It is doubted that they intend to invade Greece openly. Such a mission might lead to developments which they themselves would like to avoid. Nor can they reasonably expect that their 20,000-odd rebel mercenaries and conscripts will be able to effect the conquest of Greece by direct military means. It is more likely that they plan to continue their pressure, to attempt to confuse American and foreign opinion and to weary the patience of the American taxpayer, to reduce Greece to such a state of intolerable chaos that the Greeks, frustrated, hopeless without foreign aid, will finally give in. If that is their plan, they sadly underestimate our intelligence, our perseverance, and the Greek will to resist. Nevertheless, we must continue to bear in mind what their objectives are and the dangers inherent in their tactics.

We have not done much more than hold the fort in the economic field of Greece. American aid and relief funds, the normal operation of the Greek economy, and private philanthropy have assured bare minimum subsistence for the Greek people, with an average per-capita food consumption of about 2,200 calories daily. There has thus been little or no outright starvation during the past year, but neither has there been any appreciable improvement in living standards.

In the sector of economic reconstruction, significant progress is being made on many important projects too numerous to list in detail. These include, notably, repair work on 800 miles of key highways, clearance of the Corinth Canal and the repair of harbor facilities at Salonika and Piraeus sabotaged by the Germans, improvement of airports at Athens and four other cities, and assistance in connection with railroad reconstruction, housing, and land-reclamation projects.

Similarly, the American Mission has been most active in the fields of Greek commerce and finance. It has tried to assist in vitalizing the former, for example, by the introduction of a more flexible currency-exchange rate, and in reforming the latter in order to assure the optimum use of American funds and available Greek financial resources. In particular, the Mission has aided the Greek Government in a long-drawn battle against inflation. Efforts have been made to bring the Greek budget into approximate balance by administrative reforms, by a reduction of the public payroll, by paring expenses to the bone, and by the imposition of drastic taxation.

The fight against inflation and economic collapse has unfortunately been for the most part in the nature of a rear-guard action. Prices have continued to soar. The drachma has steadily weakened in relation to foreign currencies and gold. The price level has risen about 35 percent since January 1, 1947, and the drachma note issue has

increased approximately 93 percent in the same period. In January 1946 the exchange rate of the drachma was officially pegged at 5 thousand to the dollar. By the end of January 1947, the open-market rate was around 8 thousand, and it stands in the neighborhood of 13 thousand today. From the beginning of 1946 up to the middle of 1947, when the American Mission began its operations in Greece, the open-market rate of the gold sovereign in Athens fluctuated between 130 and 140 thousand drachmas. Today it is fluctuating around 220 thousand drachmas and has been as high as 236 thousand drachmas.

It is clear from these figures that, while runaway inflation has been averted, confidence in the drachma has not been restored. The Greek economic pump has been kept in creaking motion by patchwork repairs and by vigorous priming, but it is not yet operating smoothly and automatically.

What are the reasons for this? Why has more substantial progress not been made?

In the first place, there have been a number of negative factors of an administrative or economic nature which could not be determined in advance and could not therefore be given consideration when the size and scope of the aid-to-Greece program was first presented to Congress.

Among these factors might be mentioned delays in getting the aid project under way. The funds requested by President Truman on March 12 were not actually authorized by Congress until May 22, and the appropriation act itself was not passed until July 30. It was thus August before our operations really began in Greece and necessarily several months later before work projects on a substantial scale could be started. The Greek budget for the period April 1947 through June 1948 was not submitted to the American Mission until September 1947 and was not approved in final form until November. Further time was required to work out and impose the new tax measures.

Among the economic difficulties we might note that the Greek wheat crop for the year 1947-48 was, as a result of the drought, one third less than that of the year 1946-47. The unanticipated wheat deficit thus necessitated heavier imports than had been estimated. The situation was further complicated by a substantial rise in the world price of wheat and other necessary imports during the same period. Furthermore, the yield of foreign exchange from the sale of Greek exports abroad was disappointing. It had been estimated that these exports would yield about 120 million dollars. It now appears that the actual figure will not exceed 70 million dollars. There are several explanations for this: Greece's principal export commodities—tobacco, dried fruits, olive oil—are luxury products which are among the first to be barred by importing nations struggling to curtail imports. Moreover, as a result of

the artificial high valuation of the drachma, the export costs of some exportable commodities were higher than world prices. Then we must not forget that Greece's normal foreign markets, Germany and central Europe, which took over 50 per cent of her exports before the war, are not now in a position to import what Greece has to export. Serious as they are, the administrative and economic problems are overshadowed by the main difficulty which besets Greece today, the lack of security in the country. The lack of confidence in the drachma and the continued stagnation of Greek capital and enterprise stem in large part from feelings of uncertainty with regard to the future of Greece itself.

In the military field, as in that of economics, the Greeks, with our help, have barely managed to "hold the fort". The situation is still fluid, however, as it was in the middle of 1947. Despite all the fanfare associated with the announcement of the establishment of the Markos junta on Christmas Eve, the guerrillas exercise control over no fixed territory and have not been successful in holding on to any town of significance. There is as yet no "front" in Greece in a military sense. The Greek Army is able physically to go to any point in Greece despite guerrilla opposition. It has not been able, however, to maintain law and order simultaneously in the whole of Greece.

This fluid military situation can best be understood after an examination of a relief map of Greece. The guerrillas exercise predominant influence in most of the mountainous areas, particularly along the northern frontier. They are accustomed to descend in the night from the mountains to raid lowland towns and villages. Usually these settlements are not more than three hours' walking distance from their mountain lairs. Conversely, the Government forces exercise paramount influence in the plains and valleys. They try to protect the towns, villages, and lines of communications. They periodically conduct offensive sweeps and lesser operations against the guerrillas in the mountains.

However, in respect of the numbers, organization, and armament, the guerrillas appear to have gained in strength during the last year. By means of forced recruiting their numbers have been increased from an estimated 10,000 in March 1947 to well over 20,000 at present in spite of the fact that the Government forces have been able to inflict severe losses on them. From isolated bands roaming the hills with an odd assortment of rifles, the guerrillas are developing into a fairly efficient military force, well armed with, and trained in the use of, automatic weapons and artillery. Last December they were able to organize an expedition of over 3,000 men against the town of Konitsa on the Albanian border. The United Nations commission now in Greece, incidentally, has re-

ported that this particular operation was logistically supported from Albania. The type of organization of the guerrilla forces and the manner in which their operations are conducted are strong circumstantial evidence of professional military direction quite superior to what might be expected of Markos, who, although a Moscow-trained revolutionary, cannot be considered a competent military leader.

Foreign complicity in the guerrilla movement is not, however, confined to the drafting of military plans or the provision of logistic support. Concrete evidence as to the origin of the weapons and of other equipment as well as the testimony of captured bandits is removing any doubt which may have existed with regard to the relationship between the guerrillas and the Communist-dominated governments of the neighbors of Greece. While we have been endeavoring to carry out a well-balanced program designed to provide Greece with sufficient assistance in the form of supplies and technical advice to rehabilitate itself and again to become a self-supporting nation based on democratic concepts, the enemies of Greek independence have been increasing their efforts to disrupt Greek economy and to spread death and ruin and chaos throughout the land. The increase of external assistance to the guerrillas is one of the fundamental reasons for the failure of the loyal Greeks to do more than "hold the fort." It is vastly easier and cheaper to destroy than to build. It is also easier and cheaper to sponsor guerrilla raids than to conduct a planned military campaign against guerrillas. This has been proved time and again in the history of warfare. The guerrillas are free to live off the land and to strike where they will. The only effective way to deal with them is to surround and liquidate them, a procedure which may require a ratio of superiority in strength as high as 15 to 1. It is difficult for the Greek Army to surround the guerrillas so long as they are able to retreat into the territory of the northern neighbors of Greece whenever they find themselves hard-pressed.

The guerrillas also have an advantage in that they do not hesitate to make effective use of a weapon which civilized peoples and governments cannot employ without the abandonment of the very principles for which they are struggling. I refer to the weapon of terror. The guerrillas attempt to frighten the Greek countryside into giving them cooperation by making horrible examples of persons with whose cooperation they are dissatisfied. They also wreak vengeance upon the relatives and friends of such persons. Atrocities of the most violent and even obscene nature are being committed by the guerrillas daily. Several days ago the President, in transmitting a report on assistance to Greece and Turkey to Congress, made the following statement:

"It is significant that the guerrilla warfare is directed not against the Greek Army but against the people of Greece. The deliberate and wanton destruction of Greek villages does not result from military engagements. It is determined and ruthless destruction intended to render people homeless and drive them from the soil; to force them into overcrowded urban centers where they become charges of an already overburdened state; and to create for them conditions of misery and hardship in the hope that this will make them susceptible to political agitation."

Terror is one of the most useful weapons employed by the guerrillas. Through terror they have been able to break the spirit of thousands of people. About 450,000 people, or some 6 percent of the total population of Greece, have been compelled to abandon their village homes in the neighborhood of the mountains and are at present concentrated in or near the larger Greek cities and towns. The Greek Government has endeavored to the best of its ability to provide food and shelter for these unfortunate refugees; unfortunately the Government has neither the financial means nor the supplies to give them adequate care, and many of these unhappy people are living at the present time in appalling conditions. The misery incident to the displacement of so many thousands of persons is of course considered as a victory by the Communists, who hope eventually to convert this misery into loss of confidence in democratic procedures and ways.

Although neither the Greek Government nor the governments of other civilized countries are willing to meet the Communists' weapon of terror with counter-terror, both the Greek and the American Governments have found it necessary to give added emphasis to the military problem in Greece. The Greek Government has transferred from other purposes funds and supplies to the armed forces and to refugee relief. We have felt obliged to divert certain funds originally intended for economic reconstruction in Greece to military purposes. The diversion of funds and supplies from rehabilitation and reconstruction to Greek national defense and relief of refugees has thrown our whole Greek program out of balance. This fact is also, of course, pleasing to the guerrillas and to their foreign Communist supporters. The original breakdown of the 300-million-dollar Greek aid appropriation called for a 50-50 allotment of 150 million dollars for reconstruction projects and consumers' goods and 150 million dollars for military purposes, that is, for the strengthening of the Greek Army, Navy, Air Force, and gendarmerie. It has, however, been necessary to increase the size of the Greek Army beyond the 1947 level of 120,000 men. It has also proved necessary to organize a National Guard of 50,000 men which could guarantee the defense

of towns and villages so that the Army could be released for aggressive action against the guerrillas. These measures have required the diversion of 23 million dollars from the contemplated reconstruction program, thereby reducing the amount originally budgeted for reconstruction by about one half. It is unfortunate that in this—the third year after the defeat of the Axis powers—it should still be necessary in a country which, like Greece, suffered so deeply during the war to divert funds, supplies, and energies from the peaceful pursuit of rehabilitation and reconstruction to military purposes. It does not seem necessary to stress here who is responsible for this sad state of affairs.

Do not, however, obtain the impression that the situation in Greece is hopeless. In the economic field some of the factors which have operated against the struggle to preserve a free and independent Greece may disappear. The present Greek crop outlook, for instance, is good. Furthermore, there is a possibility that during the coming year there will not be appreciable rises in the world prices of wheat, foodstuffs, and other supplies needed in Greece. In the near future it should also be possible for Greek economy to begin to feel the beneficial effects of some of the reconstruction projects and financial and administrative reforms which the Greek Government with our aid has carried out during the last year. Improvements may also be expected in the military situation. It is hoped that, when additional military equipment provided for in our program reaches Greece and has been placed in the hands of the Greek Army and National Guard, when the new recruits in the Army and the National Guard have had the requisite training, and when the American military staff officers so recently dispatched to give advice to the Greek Army have reached the field, the Greek Army and National Guard with the enthusiastic backing of all loyal Greeks will set about to liquidate the guerrillas and to free Greece from the paralysis of Communist guerrilla terror.

In case international Communism should find that its advance guard in Greece is in danger, it may decide further to increase its support to the guerrillas. There are, however, definite limits beyond which international Communism and its puppets may hesitate to go in this respect. Even the international Communists must realize the immediate dangers to world peace which might be involved if they resort to more overt forms of aggression, such as the dispatch from the puppet states of heavy reinforcements for the guerrillas in Greece or of heavy shipments of arms. International Communism in its desire to obtain control over Greece may, however, venture so far as to create a situation with which the armed forces of Greece alone could not be expected to cope.

The development of such a situation would of course require a reexamination of the whole Greek problem.

It seems likely that the forces of international Communism would pause before launching a policy of overt aggression against Greece if they could only understand that the determination of the United States and other democratic countries to prevent Greece from falling a victim to foreign aggression can be just as firm as that of the aggressor to deprive Greece of her independence and integrity. Nothing is more likely to encourage the weary and disheartened Greek people and to cause the forces of international Communism to reconsider their course of action with regard to Greece than the certainty that, so long as the Greek people desire their freedom and express this desire by cooperating with one another in resisting with all their energy the enemies of their freedom, the United States will not stand idly by while foreign aggressors deprive Greece of its territorial integrity and political independence.

Congress is now giving its consideration to the European Recovery Program, with which the Greek Government has pledged its cooperation and in anticipation of which it has drawn up an ambitious program of self-help through the exploitation of Greece's own resources and through close economic collaboration with the other 15 participating European countries. This program will not be workable in Greece unless the security of Greece can be assured and internal order restored. In fact, unless these conditions are met, the European Recovery Program as a whole will be seriously threatened. For what confidence could other European nations feel in their own security if Greece were allowed to fall victim to aggression? And how can economic reconstruction be envisaged except in an atmosphere of reasonable confidence and security? It is likely, in view of the exigencies of the situation in Greece, that among the various proposals which will be submitted to the Congress in the near future will be one providing for the granting of additional financial aid to Greece for military purposes to supplement the funds destined exclusively for the economic rehabilitation of Greece under the European Recovery Program.

From time to time statements are to be heard to the effect that the Greek problem is incapable of solution, that efforts on the part of the United Nations to prevent Greece from falling victim to aggression will for an indefinite period be offset by increased aid on the part of international Communism and its satellites to the Greek guerrillas, and that so long as we adhere to our present policies with regard to Greece the American taxpayer will, among his other burdens, be compelled to expend large sums in Greece.

It is to be hoped that these statements are unduly pessimistic. It is to be hoped that the United Nations will display the determination and ingenuity required successfully to combat the type of campaign against the independence of Greece which is being carried on. It is to be hoped that the Greek people, in spite of the hardships and depredations that they are undergoing, will be as courageous in the future as they have been in the past in defense of their liberties, bearing in mind that if they should allow themselves to falter in their struggle it would be extremely difficult for the United Nations or any member of the United Nations to save Greece from the unhappy fate which has overtaken other countries of eastern Europe. The United States on its part cannot afford to succumb to a doctrine of sterile defeatism. By proving that democracies can be more dogged and persistent in opposing aggression than international Communism is in pursuing aggression, the American people must point the way to a stable and just peace.

Address on U.S. Economic Foreign Policy and National Security

On February 19 Norman Burns, an adviser in the Division of Commercial Policy, Department of State, spoke on economic foreign policy and national security before the Foreign Policy Association in Oklahoma City, Okla. For the text of his address see Department of State press release 131 of February 19, 1948.

American Nationals May File Declarations of War Losses in Belgium

[Released to the press February 3]

The Department of State has been informed by the American Embassy at Brussels that the time limit for filing of declarations for indemnities for damages or destruction of private property in Belgium has been set at February 9, 1948.

Although Belgian legislation does not provide at the present time for compensation to other than Belgian nationals, the Department has urged American nationals to file declarations of their war losses with the Ministry of Reconstruction in Brussels, for use in the event the benefits of Belgian legislation are eventually extended to American nationals.

Special forms for the declarations are available at Belgian Consulates in New York, Chicago, San Francisco, and New Orleans.

The President's Report on the United Nations

On February 20, 1948, the White House released *The United States and the United Nations: Report by the President to the Congress for the Year 1947*. There follows a brief informal résumé of the report:

The President in his letter transmitting his report to the Congress on United States participation in the United Nations for the year 1947 declares that "the strengthening of the United Nations continues to be a cornerstone of the foreign policy of the United States". He states that United States efforts in the United Nations "were directed above all to assuring that the principles of the United Nations would be given full effect".

In observing that the problems of international relations arising in 1947 were met in the United Nations neither by evasion nor by meaningless compromise, the President makes reference to the recommendations with respect to the independence and integrity of Greece, the problem of Korean independence, the question of Palestine, the new Interim Committee of the General Assembly, and the study of the question of the "veto" in the Security Council, all of which are covered in the 360-page report.

Although Secretary of State Marshall in his letter accompanying the report to the President points out the repeated inability of the major powers to agree on problems affecting world security, he says "The absence of unanimity in reaching decisions is not necessarily fatal". He points out that "differences strongly held are not readily resolved".

In his balanced appraisal of developments in the United Nations during 1947, the Secretary considers that the record offers no basis for complacency, and "on the other hand, no basis for pessimism".

The opening chapter of the report considers the concern felt about the United Nations and the "anxious assessment" made of its progress during the past year. It takes the view that the United Nations had to choose in 1947 between two risks:

that of avoiding "decisions and recommendations on the larger issues" and engaging in "quiet work on the lesser controversial matters", and that of boldly taking hold of "the troubles pouring in upon it" and making "realistic decisions and recommendations". The report shows why that choice arose and, furthermore, gives the framework of events in the world that posed that choice. The United Nations, by taking the bolder course, went into the mainstream of international relations, which is a source of realistic strength for it.

The report, which is a revealing account of history in the making, surveys the difficulties that the principal organs of the United Nations faced. In this connection, it takes account in a forthright manner of the serious problem posed by nonparticipation on the part of certain members in the recommendations approved. In the work of the General Assembly, both Greece and Palestine are treated at length and a fairly full story is given of other important selected matters such as Korea, the Interim Committee, propaganda, and voting in the Security Council. Aside from its consideration of ten political and security problems before the Assembly, the report covers also developments concerning economic and social matters, non-self-governing-territory and legal problems, and various organizational questions, particularly that of the headquarters of the United Nations.

The report succinctly describes the work of the Security Council, covering its powers, responsibilities, and development to 1948. The Indonesian question is given some prominence and the Corfu Channel case is discussed. Also included are the United Kingdom-Egyptian dispute and responsibilities concerning Trieste.

The topic covered most extensively in the report dealing with the Security Council is the international control of atomic energy. Here the extent of agreement and the basic issues in disagreement in the views of the United States and most other members on one hand, and the U.S.S.R. on the other, are defined and brought plainly to light.

An analytical consideration of agreement and disagreement also marks the sections of the report treating the provision of armed forces to be put at the disposal of the Security Council and the problems of the regulation of conventional armaments.

The development of regional economic commissions by the Economic and Social Council during 1947 is highlighted. Discussed are the Economic Commission for Europe and the Economic Commission for Asia and the Far East and the study of further regional commissions for the Near and Middle East and Latin America. The work toward establishing an International Trade Organization is also given considerable attention. The social work of the Economic and Social Council is given due stress, with particular emphasis placed on the preparation of a bill of human rights and the preparations for the forthcoming Conference on Freedom of Information in Geneva beginning March 23.

In considering the work of the Trusteeship Council, the report clearly describes 1947 developments affecting dependent areas, such as colonies and other non-self-governing territories, and the developments affecting the trusteeship system. The trust Territory of the Pacific Islands, administered by the United States, receives special attention, and the work of the Trusteeship Council, now moving into its full scope of functions, is clarified at some length.

The role of the International Court is the subject of a short chapter. A picture of the work of the Secretariat is given, and an up-to-date statement is made on its organization and the problems it confronts. The nature of United States interest toward the Secretariat is also discussed.

The appendix constituting more than half of the report includes 35 of the most important resolutions of the General Assembly and several resolutions of the Security Council, each introduced with a brief statement in nontechnical language. The vote by which a resolution was adopted and in several instances the status of action taken subsequent to the resolution are indicated. Also included are principal papers in connection with the international control of atomic energy, containing certain important statements presenting the American policy during 1947. The plan of work followed in the meetings being held on prob-

lems of conventional armaments is also contained here.

Six charts indicate the organizational set-up of the principal United Nations organs situated at the New York headquarters. A special map showing the plan adopted for the disposition of Palestine is given. Another feature of the report is the full listing of all United States representatives to the various organs and subordinate organs of the United Nations and of the membership of the specialized agencies related to the United Nations. The report closes with a special section on documentation, which gives sources of information and publications on the subject of the United Nations.

The United States and the United Nations: Report by the President to the Congress for the Year 1947 is a realistic and comprehensive report of efforts made in 1947 for a peaceful world order, written with unusual clarity largely in nontechnical language. Copies may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C., at 60 cents a copy. The report is not copyrighted and its contents may be reprinted in whole or in part.

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Continued from page 267

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- Letter From the United States Representative Addressed to the President of the Security Council Dated 19 January 1948 and Enclosed Notes. S/656, January 21, 1948. 3 pp. mimeo.
- Letter From the Representative of India Addressed to the President of the Security Council Dated 21 January 1948. S/657, January 22, 1948. 1 p. mimeo.
- Letter From the Minister of Foreign Affairs of the Government of Pakistan Addressed to the President of the Security Council Dated 22 January 1948. S/659, January 22, 1948. 1 p. mimeo.

U.S. Regards Solution of Palestine Question as U.N. Matter

LETTER FROM THE SECRETARY OF STATE TO JACOB K. JAVITS

[Released to the press February 16]

Text of a letter concerning Palestine to Jacob K. Javits, member of the House Committee on Foreign Affairs, from the Secretary of State

February 12, 1948.

DEAR MR. JAVITS:

I have received a letter dated February 10, 1948, signed by you and twenty-nine other Members of the House of Representatives. This letter expresses your joint concern over violence in Palestine between Arabs and Jews, your worry lest the announced policy of the Department of State of an arms embargo to the Arab countries and Palestine may be misleading as to the intentions of the United States, and your apprehension that if the United Nations Palestine decision is rendered inoperative the United Nations itself may be made ineffective. In reply to your specific questions I desire to inform you that copies of this letter are being addressed separately to the other Congressmen who signed the communication of February 10.

Taking your questions seriatim I quote the first:

- (1) "Is it true that Great Britain is permitting arms to continue to be shipped to the Arab nations, and if so, does the continuance of such shipments interfere with carrying out of the United Nations decision on Palestine?"

On February 4, 1948, the British Minister of Defense made an official reply in Parliament which largely covers your inquiry. He said, among other things:

"There is at present an embargo on the entry into Palestine both by sea and over the land frontiers of all war-like material. The Government of Palestine will enforce this embargo to the best of their ability until the Mandate comes to an end on the 15th May. It is also the policy of His Majesty's Government to refuse permission for the export of military material from Great Britain to any part of the Middle East except under existing contracts which have been undertaken as a result of our treaty obligations to certain Arab Governments. His Majesty's Government have no reason to suppose that the material supplied by them under such contracts will be used in Palestine."

This Government has no information in its possession indicating that to date the continuance of

British treaty shipments has interfered with the carrying out of the recommendation of the General Assembly on Palestine embodied in its resolution of November 29, 1947.

- (2) "Do the activities of the Arab nations with respect to support of the Arab Higher Committee for Palestine, and the Arab League, or otherwise in their announced violent resistance to the U.N. decision on Palestine, endanger the maintenance of international peace and security in the terms of the U.N. charter?"

While it is true that various Arab Governments and organizations have announced their determined opposition to the General Assembly's recommendation on Palestine, there have thus far been no overt acts which, in the decision of the Security Council of the United Nations, have been determined to endanger the maintenance of international peace and security in the terms of the United Nations Charter. Meanwhile, the United Kingdom, as the Mandatory Power, is responsible for the preservation of peace and security in Palestine. The United States has consistently proclaimed its determination to see the provisions of the United Nations Charter complied with, and its Representative in the General Assembly, in announcing this Government's policy regarding Palestine on October 11, 1947,¹ said that we assumed there would be Charter observance.

- (3) "What will be the instructions of the U.S. to its U.N. delegate on the questions referred by the U.N. Palestine Commission to the Security Council regarding the means for making effective the General Assembly's decision on Palestine?"

The United Nations Palestine Commission has thus far submitted its first interim report to the Security Council but the Council has not yet taken action on the report. On February 10 the Council agreed to await the forthcoming special report of the Palestine Commission on the problems of security and enforcement before giving further consideration to the General Assembly's recommendation on Palestine. This report is due February 15. In absence of knowledge as to the contents of the Palestine Commission's next report it has been impossible to formulate instructions to the United States Representative on the Security Council.

¹ BULLETIN of Oct. 19, 1947, p. 761.

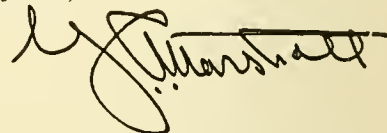
- (4) "What is the U.S. prepared to do to help in the implementation of the U.N. decision on Palestine?"

I believe that much of this question is implicitly answered in my response to Question 3. Until the Security Council has received and studied the report of the Palestine Commission on security and enforcement and has reached a decision it is not possible for this Government to determine in advance the steps which may be necessary to carry out such a decision. However, the United States has been active as a member of certain other principal organs of the United Nations which are dealing with the Palestine problem to implement the resolution of November 29. The United States Representative on the Trusteeship Council and his Deputy have worked with other Members of the Council in preparing a draft statute for the trusteeship of Jerusalem. The United States as

a Member of the Economic and Social Council will be concerned with those aspects of the resolution of November 29 which call for action by the Economic and Social Council. Practically every major organ of the United Nations is concerned under the terms of the Assembly's resolution.

I much appreciate your patriotic interest in this question and your concern for the success of the United Nations. As the President and I have on several occasions made clear, we regard the solution of this immensely difficult problem as a United Nations solution and our contribution to that end will be as a member and steadfast supporter of the United Nations.

Faithfully yours,



INTERNATIONAL ORGANIZATIONS AND CONFERENCES

UNITED STATES DELEGATIONS TO FAO MEETINGS IN PHILIPPINES

The Department of State announced on February 20 that the President has approved the composition of the United States Delegations to two meetings sponsored by the Food and Agriculture Organization (FAO). An FAO Regional Meeting To Consider the Formation of a Regional Council for the Study of the Sea is scheduled to open at Baguio, Republic of the Philippines, on February 23, 1948, and an FAO Rice Meeting is scheduled to convene at Baguio on March 1, 1948.

The purpose of the first meeting is to discuss the establishment, organization, and constitution of a Regional Council for the Study of the Sea for waters of the Southwest Pacific and Indian Oceans.

The rice meeting is expected to concern the problems of international trade in rice and the possible formation of an international rice organization.

The United States Delegation to the Meeting To Consider the Formation of a Regional Council for the Study of the Sea is as follows:

Delegate:

Andrew W. Anderson, Chief, Division of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior

Alternate Delegate:

Charles J. Shohan, International Resources Division, Department of State

Advisers:

Edward W. Allen, Acting Chairman, Pacific Fisheries Conference, Seattle, Washington

Oscar E. Sette, Chief, South Pacific Investigation, Fish and Wildlife Service, Department of the Interior, Stanford University, California

Herbert E. Warfel, Chief, Section of Biological and Oceanographical Investigation, Philippine Fishery Program, Fish and Wildlife Service, Department of the Interior, Manila, Republic of the Philippines

The United States Delegation to the Rice Meeting is as follows:

Delegate:

Leonard B. Ellis, Chief, Rice Section, Grain Branch, Production and Marketing Administration, Department of Agriculture

Alternate Delegate:

Charles J. Shohan, International Resources Division, Department of State

Advisers:

J. Norman Efferson, Foreign Rice Marketing Specialist, Department of Agriculture

Douglas Crawford, Agricultural Attaché, United States Embassy, Manila, Republic of the Philippines

In addition to the above meetings, the United States Government will be represented by observers at two other meetings to be convened by the FAO at Baguio. Douglas Crawford has been designated as observer to the FAO Regional Meeting of Technical Nutritionists. This meeting, which is scheduled to open on February 23, is expected to concern future activities in the field of nutrition as they relate to the FAO regional program in Asia. A member of the United States Embassy staff at Manila will represent the United States as observer at the Meeting to Consider Far East Regional FAO Activities which is scheduled to convene on March 15.

Directing Council of the Pan American Sanitary Organization Holds First Meeting

ARTICLE BY JAMES A. DOULL

At the Twelfth Pan American Sanitary Conference held at Caracas, Venezuela, from January 12 to 24, 1947, a reorganization plan was adopted which defined the Pan American Sanitary Organization as consisting of four parts: the Pan American Sanitary Conference, meeting once in four years; the Directing Council, meeting annually; the Executive Committee, meeting every six months; and the Pan American Sanitary Bureau, the permanent body of the Organization with headquarters at Washington.

Representatives of all 21 American republics make up the Directing Council. The Executive Committee elected under the new plan included representatives of Argentina (elected for one year), Brazil (three years), Chile (one year), Costa Rica (three years), Cuba (two years), Mexico (three years), and the United States (two years). This Committee held its first meeting from April 28 to May 3, 1947, at Washington and, having received an invitation from the Government of Argentina, decided that the Committee and the Directing Council should meet at Buenos Aires during the second half of September 1947. Accordingly, the original Executive Committee held four sessions in that city from September 22 to 24, the Directing Council held eleven plenary sessions from September 24 to October 2, and the new Executive Committee held a brief concluding session on October 2.

The Executive Committee received at the meetings the report of the Director of the Bureau and prepared draft rules of procedure and a draft agenda for the Council.

Nineteen of the American republics were represented at the meetings of the Directing Council.¹ The Interim Commission of the World Health Organization and the Rockefeller Foundation

were represented by observers. The agenda and rules of procedure recommended by the Executive Committee were adopted without significant change. The chief items on the agenda were (1) increase of the quota from 40 cents to one dollar per 1,000 inhabitants and consideration of voluntary supplementary contributions; (2) approval of the constitution of the Pan American Health Organization; (3) approval of the reorganization plan and budget of the Pan American Sanitary Bureau; (4) revision of the Pan American Sanitary Code; (5) relationship of the Pan American Health Organization to the World Health Organization; and (6) election of two countries to succeed Argentina and Chile on the Executive Committee. The following committees were appointed to study and prepare reports on the agenda items: (1) Finance and Reorganization; (2) Constitution; (3) Relations with the World Health and Other Organizations; and (4) Drafting.

Reports of the Committees

1. *Finance and Reorganization.* The Council accepted the report of this Committee and approved the increase in quota from 40 cents to one dollar per 1,000 population. It was agreed to establish an additional optional quota, the amount of which would be in accordance with the economic capacity of each country, and the Director of the Pan American Sanitary Bureau was authorized to take appropriate steps toward securing these funds.

A budget of \$1,300,000 for the first year's operation (effective Jan. 1, 1948) was approved subject to availability of funds. From information re-

¹ Ecuador and Nicaragua did not send representatives.

ceived from various representatives, the Committee felt justified in taking into account approval by governments of the quota of one dollar per capita and also probably sufficient additional annual contributions to warrant this budget. The Director of the Bureau was authorized to make necessary changes in the budget, subject to subsequent approval of the Executive Committee at the earliest opportunity.

The annual salaries of the Director, Assistant Director, and Secretary and the Representation Fund of the Bureau were approved as follows: Director, \$15,000; Assistant Director, \$10,000; Secretary, \$9,000; and Representation Fund, \$6,000. Authorization was also given for the payment by the Bureau of income taxes on the salaries of the employees.

2. *Constitution.* The Committee accepted in the main the draft constitution prepared by the Executive Committee in April and May 1947, and the Committee's report was accepted by the Council with only minor changes. The following features of the constitution are of special interest:

a. *NAME*—The Executive Committee had recommended the names "Pan American Health Organization" and "Pan American Health Conference". These were rejected in favor of the older terminology, "Pan American Sanitary Organization" and "Pan American Sanitary Conference".

b. *MEMBERSHIP*—There was much discussion of this point. The relevant provisions as adopted by the Council are:

Article 2 (A) The Pan American Sanitary Organization is at present composed of the 21 American republics. All self-governing nations of the Western Hemisphere are entitled to membership in the Pan American Sanitary Organization.

(B) Territories or groups of territories within the Western Hemisphere which do not conduct their own international relations shall have the right to be represented and to participate in the Organization. The nature and extent of the rights and obligations of these territories in the Organization shall be determined in each case by the Directing Council after consultation with the government or other authority having responsibility for their international relations.

c. *FUNCTIONS OF THE RESPECTIVE ORGANS*—The Conference is designated the supreme governing authority of the Organization; however, it may delegate any of its functions to the Directing Council. The Conference elects the Director of the Pan American Sanitary Bureau, who must receive a two-thirds vote of the countries represented with a right to vote (art. 4 E).

The Council (art. 8) has the responsibility of performing those functions delegated to it by the Conference and acting on its behalf between meetings of the Conference. It reviews and approves the annual budget of the Organization, submits an annual report to participating governments, and when the post of director becomes vacant elects an ad-interim Director.

The Executive Committee (art. 12) authorizes the Director to convoke meetings of the Council, approves the agenda of meetings of the Conference and the Council, acts as an advisory body for the Council, and prepares with the cooperation of the Director the proposed budget of the Organization.

The Pan American Sanitary Bureau is the Secretariat of the Organization.

d. *COMPOSITION*—The Conference is composed of not more than three representatives of each government, one of whom is designated by his government as chief delegate; the Council is composed of one representative from each government. Conference and Council elect their own officers. Participating governments pay the expenses of their representatives to the Conference and the Council.

The Executive Committee is composed of representatives of seven governments elected by the Council for overlapping terms of three years. A government is not eligible for reelection until one year has elapsed. The expenses of representatives to the Executive Committee are paid by the Organization except when meetings are held concurrent with, immediately preceding, or immediately following those of the Directing Council, in which instances the expenses are paid by the participating governments. Officers of the Executive Committee are elected at each meeting.

3. *Relationships.* The chief problem before this Committee was the consideration of a proposed draft agreement between the Organization and the World Health Organization. Substantial

progress was made, and the Executive Committee was authorized to continue negotiations with the negotiations subcommittee of the Committee on Relations of the Interim Commission of WHO. As presently drafted, the agreement would become effective when 14 American republics have accepted the constitution of WHO. In the progress toward integration as contemplated under article 54 of the constitution of WHO, it appears that three stages may be necessary:

1. Prior to acceptance of the World Health Organization by 14 American republics, the agreement will not be in effect and there can be no regional committee of WHO for the Western Hemisphere. During this period, which it is hoped will be short, a provisional arrangement will be necessary under which the Pan American Sanitary Bureau will carry out the functions of a regional office of WHO.

2. When from 14 to 20 American republics have accepted the constitution of the World Health Organization, the agreement will be in effect. The Regional Committee for the Western Hemisphere will include only members of WHO. The Pan American Sanitary Bureau will act as a regional office of WHO.

3. When all 21 American republics become members of WHO, the Pan American Sanitary Conference will become the Regional Committee and will probably delegate its authority to the Directing Council.

Problems on German Economic Unity

TRIPARTITE CONVERSATIONS ON GERMAN MATTERS

[Released to the press February 20]

The conversations with the British and French, scheduled to begin on February 23, represent an endeavor to explore on the ambassadorial level in London the whole range of German problems of mutual interest. Lewis Douglas, U.S. Ambassador to Great Britain, will be assisted by a small group from OMCUS and a limited number of experts from the Department of State. The atmosphere of the talks will be kept informal and their scope will be determined by the participants at one of the early meetings. It is hoped that the Benelux countries will be afforded an opportunity to present their views. In view of the wide range of interests rep-

The Final Report

The principal resolutions of the Council included in the final report relate to (1) placing upon the Pan American Sanitary Bureau the solution of the continental problem of urban yellow fever, based fundamentally on the eradication of *Aedes aegypti*, which transmits it; (2) acceptance of the report of the Committee on Relations and authorization of the Executive Committee to act as negotiator with the negotiating subcommittee of the Interim Commission of the World Health Organization; (3) formal authorization of an increase in the annual quota from 40 cents to one dollar per 1,000 inhabitants, and the establishment of an additional voluntary quota; (4) deferment of discussion of the Pan American Sanitary Code until a future meeting; (5) designation of Mexico City as the seat of the 1948 meeting of the Council; and (6) election of Uruguay and Venezuela to the Executive Committee.

Principal Accomplishments of the Meeting

The most important accomplishments of the meeting were agreement on a new constitution, additional progress toward integration with the World Health Organization, approval of a budget that will permit the Pan American Sanitary Organization to put its reorganization plan and its expanded program into effect, and the recognition of the necessity for a new sanitary code of worldwide application.

resented and the fact that this will be the first occasion on which interested governments will have an opportunity fully to express and examine their respective views, the conclusions reached may necessarily be of a provisional nature, particularly as the time for the conversations may be limited by the need of Ambassador Douglas' return to Washington early in March. A frank interchange of views over the entire range of subjects is contemplated and an effort will be made to obtain agreement on as many points of principle as possible so that clear-cut decisions can be taken at an early date. After the governments have had an opportunity to consider the results of these preliminary discussions, they will determine the next stage.

**TEXT OF MEMORANDUM FROM THE UNDER SECRETARY OF STATE
TO THE AMBASSADOR OF THE U.S.S.R.**

[Released to the press February 21]

The Department of State refers to the communication of February 13 of His Excellency the Soviet Ambassador relating to the discussions which the Governments of the United States, the United Kingdom and France propose to hold in London respecting Germany.

These discussions have been arranged for the examination of problems in Germany of mutual interest to the three Governments. There is no provision in the Potsdam or other agreements relating to Germany concluded by the four occupying powers which prevents any of the powers from discussing between themselves questions of common concern.

The United States Government is surprised that the Soviet Government should undertake to remind the other powers of their contractual obligations in Germany. The result evoked by the failure of the Soviet Government to observe the principle of economic unity provided for in Section III B 14 of the Potsdam agreement impels the

other three powers at this time to consult among themselves to put an end to a state of uncertainty and economic deterioration in Germany which threatens recovery in all of Europe. As has been repeatedly stated by United States representatives both in the Council of Foreign Ministers and in the Allied Control Council for Germany it remains open to the Soviet Government to join the other occupying powers in sound measures for the achievement of the economic and political unity of Germany. The fact that it now protests against the endeavors which will be made to develop constructive measures to deal with the present situation in Germany can only be construed as an effort to shift the responsibility incurred by the Soviet Government itself for the present division of Germany, with all the unfortunate consequences which this division entails, not only with respect to Germany, but for the recovery of Europe as a whole.

DEPARTMENT OF STATE,
Washington, February 21, 1948.

U. S. Delegation to Conference on Maritime Consultative Organization

[Released to the press February 10]

The Department of State announced on February 10 that the President has approved the composition of the United States Delegation to the United Nations Conference To Consider the Establishment of an Intergovernmental Maritime Consultative Organization. This meeting is scheduled to open at Geneva, Switzerland, on February 19, 1948, and is expected to last approximately one month. An invitation to the United States Government to attend the Conference was received from the Secretary-General of the United Nations on April 10, 1947. The United States Delegation is as follows:

Chairman

Garrison Norton, Assistant Secretary of State

Vice Chairman

Huntington T. Morse, Special Assistant to the Commission, U.S. Maritime Commission

Chief Technical Adviser

John W. Mann, Shipping Division, Department of State

Advisers

Myron Black, Shipping Attaché, American Embassy, Rome

Roy S. Campbell, Shipbuilders' Council of America

John M. Cates, Division of International Organization Affairs, Department of State

Harvey Klemmer, Shipping Attaché, American Embassy, London

Serge G. Koushnareff, Assistant Chief, Transportation and Communication Division, Department of Commerce

Robert T. Merrill, Capt., U.S.C.G., Department of the Treasury

Thomas B. Monroe, National Federation of American Shipping

John Tomlinson, Division of International Organization Affairs, Department of State

Secretary

Ellis K. Allison, Division of International Conferences, Department of State

The general purpose of the Conference is to consider the establishment of an intergovernmental maritime organization which would be brought into relationship with the United Nations as a specialized agency. United Nations mem-

bers and 12 other governments have been invited to participate. The provisional agenda includes the following items: (1) consideration of the establishment of an intergovernmental maritime consultative organization; (2) scope and purposes of the proposed organization; (3) its constitution; (4) relations of the new organization with the United Nations and other international organizations; and (5) arrangements for the interim period before the organization is established.

At the First Session of the United Nations Economic and Social Council Transport and Communications Commission in February 1947, it was recommended that an international conference be convened to establish a world-wide shipping organization. The Economic and Social Council approved this recommendation at its Fourth Session.

The forthcoming Conference will utilize the draft convention for an intergovernmental maritime organization drawn up by the United Maritime Consultative Council at its Second Session at Washington, D.C., in October 1946. This draft will serve as a working paper to form the basis of discussion, together with any drafts or amendments proposed by the participating governments.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

European Recovery Program. Statement by George C. Marshall, Secretary of State, before the Senate Committee on Foreign Relations, January 8, 1948. 12 pp. Free.

An explanation and defense by Secretary Marshall of recommendations for aid to Europe—why she needs help, how much she needs, and how it should be given.

The Stake of the Businessman in the European Recovery Program. Address by George C. Marshall, Secretary of State, before the Pittsburgh Chamber of Commerce, January 15, 1948. 7 pp. Free.

The circumstances leading up to the formulation of the European Recovery Program, and the effect of the Program on the conditions of doing business.

Cooperation in the Americas: Report of the Interdepartmental Committee on Scientific and Cultural Cooperation, July 1946–June 1947. International Information and Cultural Series 1. Pub. 2971. 146 pp. 40¢.

A discussion of the cooperative scientific and technical projects, the exchange of persons, and the cultural interchanges between the Americas.

Air Transport Services. Treaties and Other International Acts Series 1659. Pub. 2978. 16 pp. 10¢.

Interim Agreement Between the United States of America and Austria—Signed at Vienna October 8, 1947; entered into force October 8, 1947.

Military Assistance to the Philippines. Treaties and Other International Acts Series 1662. Pub. 2979. 6 pp. 5¢.

Agreement Between the United States of America and the Republic of the Philippines—Signed at Manila March 21, 1947; entered into force March 21, 1947, effective from July 4, 1946.

Military Mission to Iran. Treaties and Other International Acts Series 1666. Pub. 2997. 10 pp. 5¢.

Agreement Between the United States of America and Iran—Signed at Tehran October 6, 1947; entered into force October 6, 1947.

National Commission News, February 1, 1948. Pub. 3019. 10 pp. 10¢ a copy; \$1 a year.

Prepared monthly for the United States National Commission for the United Nations Educational, Scientific and Cultural Organization.

Restitution of Property: Transfer to Italian Government of Gold Captured at Fortezza. Treaties and Other International Acts Series 1658. Pub. 2975. 3 pp. 5¢.

Protocol Between the United States of America, the United Kingdom of Great Britain and Northern Ireland, and Italy—Signed at London October 10, 1947; entered into force September 15, 1947.

The Foreign Service of the United States: Educational Preparation for Foreign Service Officers and Entrance Examinations. Department and Foreign Service Series 1. Pub. 2991. 81 pp. 25¢.

A comprehensive discussion of the examinations for the U.S. Foreign Service—the requisite educational preparation, general examination information, and sample written examination questions.

Industrial Property: Restoration of Certain Rights Affected by World War II. Treaties and Other International Acts Series 1667. Pub. 2998. 6 pp. 5¢.

Agreement Between the United States of America and France—Signed at Washington April 4, 1947; entered into force November 10, 1947.

The Turkish Aid Program. Economic Cooperation Series 1. Pub. 3014. 24 pp. 15¢.

A background of the recent political and economic situations in Turkey leading to the establishment of, and documents relating to, the aid program.

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Contributors

James A. Doull, author of the article on the Pan American Sanitary Organization, served as alternate United States Representative on the Directing Council of the Pan American Sanitary Organization. Dr. Doull is Director of the Office of International Health Relations, United States Public Health Service.

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The Department of State

bulletin

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March 7, 1948

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U. S. SUPERINTENDENT OF DOCUMENTS

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

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THE REFUGEE PROBLEM IN GREECE

By Harry N. Howard

Significance of the Problem

Among the grave troubles of a much-troubled land is the problem of the Greek refugees. More than 400,000 of these unfortunate people have had to flee their homes, farms, and villages because of the guerrilla warfare which has afflicted Greece. Indeed, although the ultimate purpose of the Greek guerrillas, as exemplified in the proclamation of a so-called "free Government" on December 24, 1947, is the overthrow of the Greek Government and the establishment of a Communist regime in Greece, the immediate purpose has been to disrupt Greek economy as much as possible and to prevent either economic recovery or the development of political stability within Greece. The primary success thus far achieved has been the dislocation of the rural population of Epirus, Macedonia, and Western Thrace, with the result that thousands of people in northern Greece have been driven from their homes to seek refuge in the more protected towns and cities. The development of such a serious problem in a small country like Greece, which went through the tragic experiences of the war and underwent a German, Italian, and Bulgarian occupation and saw its economic system well-nigh wrecked, has added greatly to the burden of postwar reconstruction.

The Development of the Refugee Problem

By the time the United Nations Commission of Investigation Concerning Greek Frontier Incidents had arrived in Greece in January 1947, there were already 18,900 refugees from guerrilla-infested areas, and that body received evidence concerning the burning and looting of villages.¹ By June 1947, however, the number of refugees had grown to 120,000, and by October 1947 the figure had increased to 285,000.

In his address to the Political and Security

Committee of the General Assembly of the United Nations on September 29, 1947, the Deputy Premier and Minister of Foreign Affairs of Greece, Constantine Tsaldaris, who noted the guerrilla attempt to overthrow the constitutional Government of Greece and expressed his gratitude for Anglo-American assistance, stated that each day's delay in reaching a solution of the Greek question aided the neighbors of Greece who were threatening Greek independence and "brought further death and terror in the Greek countryside from whose farms 250,000 refugees had already fled to the cities."²

That the problem of the refugees was extremely serious was recognized in the fall of 1947, although its basic implications in Greek economic and political life were not fully realized at the time of the organization of the American Mission for Aid to Greece. Thus, in the first report on assistance to Greece, dated September 30, 1947, it was pointed out that the magnitude of the relief problem in Greece was evident from the fact that out of a total population of 7,500,000 people, 1,400,000 were indigents. The report went on to say:³

¹ See *The United Nations and the Problem of Greece*. Department of State publication 2909.

² U. N. doc. A/C.1/SR.63, pp. 1-3; *The General Assembly and the Problem of Greece*, Department of State BULLETIN Supplement, Dec. 7, 1947, p. 1110. See also the statement of Mr. Manuilsky, of the Ukraine, on Oct. 3, 1947, in which he challenged the Tsaldaris estimate and charged that some 29,000 refugees had gathered from the southern Peloponnesus to flee "Rightist" bands near Athens and Piraeus. A/C.1/SR/65, p. 3. Mr. Manuilsky's figures came from an EAM memorandum submitted to the Commission of Investigation Concerning Greek Frontier Incidents (S/AC.4/56/Annex 8).

³ *1st Report to Congress on Assistance to Greece and Turkey for the Period Ended September 30, 1947*, p. 8. Department of State publication 2957.

"The relief problem has been made more acute by the guerrilla warfare, which has impeded and reduced grain collections and has caused an influx of refugees into urban areas in the north of Greece, thus over-taxing distribution facilities and housing to the detriment of public health. . . ."

In the fall of 1947 the problem had grown much more extensive, for in an effort to prevent forcible recruiting and seizure of food and other supplies by the guerrillas, the Greek National Army was compelled to evacuate entire villages, principally in northern and central Greece. During October 1947 the number of refugees was estimated at 300,000, and it was expected that the figure might reach 500,000 by December 1, 1947. The Greek Government estimated that the cost of caring for the refugees would run to approximately 265,000,000 drachmas during the fiscal year, or about 10 percent of the Greek budget. A request was made for an additional \$15,000,000 of United States foreign relief program funds to help meet the problem. Moreover, in view of the feeling that a solution of this increasingly serious problem should be worked out, on November 8 the Deputy Premier ordered the Greek National Army to cease forcible evacuation activities.

The agricultural situation deteriorated further in November 1947, since some 400,000 people, mostly farmers, had now fled from mountain villages or villages on the fringes of the mountains. It was noted that about 25 percent of the cereal crops could not be harvested because of guerrilla activity, while some harvested crops were taken by the guerrillas. Moreover, about 40 percent of the potato crop appeared lost for similar reasons, and a considerable amount of the livestock was also lost.

By the middle of January 1948 the number of refugees had reached the significant figure of about 420,000, of whom some 200,000 were in Macedonia, 53,000 in Thrace, 15,000 in Epirus, 150,000 in central Greece, and about 9,000 in the Peloponnesus and the Greek islands. The second report⁴ on assistance to Greece declared:

"The chief success of the guerrilla forces has

⁴ *Second Report to Congress on Assistance to Greece and Turkey for the Period Ended December 31, 1947*, p. 5. Department of State publication 3035.

⁵ *Ibid.*, p. 14.

been in the dislocation of the rural population in northern Greece (Epirus, Macedonia, and Thrace), although there has been sporadic guerrilla activity in the other parts of Greece. Frequent attacks during recent months have furnished conscripts for the guerrillas and driven the inhabitants of this region from their farms and villages to refuge in the urban centers. By the end of the year the estimated number of refugees exceeded 420,000 and the population of the northern cities had swollen beyond the capacity of permanent and emergency housing facilities. The creation of such chaos and the exploitation of the attendant misery are among the considered objectives of the guerrillas."

It was also indicated that the evacuation of their farms and villages by these unfortunate people had not been foreseen by the American Mission for Aid to Greece at the time of the inauguration of its program and financial care was not, therefore, envisaged. Nevertheless, the problem constituted a heavy drain on the Greek budget, and the existence of the problem contributed very substantially to national unrest and concern for the future. Moreover, the report stated that "the effect of such dislocations upon the available food supplies has been twofold: not only are the refugees no longer self-supporting but the benefit to others of their productive effort is lost."⁵ The effect upon the social, mental, and moral well-being of the refugees could also certainly be noted.

Since the Government budget of 265,000,000,000 drachmas was based on caring for only some 285,000 refugees, it became necessary for the Government to seek AMAO assistance to meet a new budget of 366,000,000,000 drachmas for relief of an average of 400,000 refugees until June 30, 1948. Based on a daily average of only 1,500 drachmas from December 1, 1947, to June 30, 1948, the budget is to provide for housing, health and medical care, clothing, repatriation, heating, agricultural relief, and other items.

Care of the Refugees

To care for the refugees in the 34 refugee centers, it has been necessary to use various public buildings and schools as emergency shelters and housing. The relief and reconstruction divisions of the American Mission for Aid to Greece have worked in close cooperation with the Greek Gov-

ernment to meet this problem, and efforts have been made to obtain relief supplies from American surpluses in Europe, including tents, cots, blankets, and other equipment, purchased under surplus-property credits extended to the Government of Greece.⁶

In addition, of course, the existence of a huge body of refugees in various parts of Greece has created a severe health problem in crowded urban centers such as Athens and Salonika. The American Mission, in cooperation with the Greek Government, has done a considerable amount of work to solve this problem, and the population is being immunized against smallpox and typhus, and periodic disinfections have been administered. Al-

though progress has been made, the problem is a large one, and the health situation in northern Greece has deteriorated; overcrowding, lack of sanitary facilities, failure to apply DDT and proper immunization measures, insufficient food and a general breakdown in distribution have produced this situation among the refugees from the guerrillas in this region.

In the end, solution of the refugee problem depends upon attainment of security along the Greek frontiers, liquidation of guerrilla warfare, the economic reconstruction and rehabilitation of Greece in all its aspects, and the development of political stability.

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⁶ *Ibid.*, p. 33.

⁷ Printed materials may be secured in the United States from the International Documents Service. Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Discussion of the Palestine Problem in the Security Council

STATEMENT BY AMBASSADOR WARREN R. AUSTIN¹

U.S. Representative in the Security Council

The Security Council is now confronted with the complex problem of Palestine as presented to us in the General Assembly recommendation of November 29, 1947, and the two reports from the Palestine Commission. The Council now has before it a number of important questions concerning Palestine for which it must endeavor to find an answer; the situation does not permit any further delay.

The problem has been before the United Nations as a matter of special concern since April 2, 1947. The United States, as a member of the United Nations, has supported since that date those United Nations procedures which we considered most adapted to obtaining a broad and impartial expression of world opinion on the problem which would result in a just and workable solution commending itself to the mandatory power and to the people of Palestine.²

As a result of the recommendations of the General Assembly of November 29, 1947, Palestine is now before several of the principal bodies of the United Nations for various types of action under the Charter. The United States as a member of the United Nations and of those bodies will continue to deal with the question of Palestine as a member of the United Nations in conjunction with other members. United States policy will not be unilateral. It will conform to and be in support of United Nations action on Palestine.

While we are discussing the problem of Palestine it is of first importance to the future of the United Nations that the precedent to be established by the action taken in this case be in full accord with the terms of the Charter under which we operate. The interpretation of the terms of

the Charter given in the Palestine issue will seriously affect the future action of the United Nations in other cases.

Let us turn now to the first and most important document before us, namely, the General Assembly resolution of November 29.³ The recommendations of the General Assembly have great moral force which applies to all members regardless of the views they hold or the votes which they may have cast on any particular recommendation. Similarly, the Security Council, although not bound under the Charter to accept and carry out General Assembly recommendations, is nevertheless expected to give great weight to them.

Attempts to frustrate the General Assembly's recommendation by the threat or use of force, or by incitement to force, on the part of the states or people outside Palestine are contrary to the Charter. You may recall that when the Representative of the United States expressed the views of my Government to the General Assembly on the Palestine question on October 11, 1947, he said we assumed that there would be Charter observance.⁴ The life of this union depends upon obedience to the law. If any member should violate its obligations to refrain in its international relations from the threat or use of force, the Security Council itself must act.

The recommendation of the General Assembly makes three separate requests of the Security Council. The first—(a)—is that the Council "take the necessary measures as provided for in the plan for its implementation". To determine what these measures are, it is necessary to turn to the plan itself. It will be seen that these are: (1) to give guidance to the Palestine Commission; (2) to take such action as the Security Council may deem proper with respect to either the Jewish or the Arab State if by April 1, 1948, a provisional council of government cannot be selected for that State, or, if selected, cannot carry out its functions; (3) to issue such instructions to the Commission as the Security Council may consider necessary; (4) to receive and consider periodic progress reports,

¹ Made on Feb. 24, 1948, and released to the press in Washington by the Department of State and in New York by the U.S. Mission to the United Nations on the same date.

² See *The United States and the United Nations: Report by the President to the Congress for the Year 1947*, pp. 42-57, 164-187. Department of State publication 3024.

³ *Ibid.*, p. 164.

⁴ BULLETIN of Oct. 19, 1947, p. 761.

special reports, and the final report of the Palestine Commission; (5) to give sympathetic consideration to the application for membership in the United Nations made by either the Arab or the Jewish State when a certain stage in the plan has been achieved.

We believe it is clear that the Security Council can undertake the above-mentioned measures. It is further clear from the terms of the resolution of November 29, 1947, that the Palestine Commission is bound by whatever instructions the Council gives to it pursuant to the Assembly's requests.

We come now to the two following requests of the General Assembly as set forth in the resolution of November 29. These invoke the wide peace-keeping powers of the Security Council under the Charter. Request (b) in the resolution asks the Security Council to consider whether the situation in Palestine during the transitional period constitutes a threat to the peace.

The third request of the General Assembly—(c)—asks that “the Security Council determine as a threat to the peace, breach of the peace or act of aggression, in accordance with Article 39 of the Charter, any attempt to alter by force the settlement envisaged by this resolution”.

I am sure that every member of this body is deeply concerned with the tragic events which have taken place in Palestine since last November 29. Our hearts are saddened by the internecine hostilities, the interracial strife, the interreligious conflict, which in these past three months have stained the soil of the Holy Land with the blood of Briton, Jew, and Arab. If these conditions continue this Council must consider whether or not the situation in Palestine is a threat to international peace. The Council would have to do this even if the resolution of November 29 had never been written, because under the Charter it must take steps “to prevent or remove any threat to the peace, breach of the peace or act of aggression”.

In considering whether or not the situation in Palestine is a threat to international peace, the Security Council should consult with the United Kingdom which as Mandatory Power is responsible for the protection of Palestine and the maintenance of internal order therein.

Requests (b) and (c) of the Assembly's resolution, mentioned above, raise constitutional questions of the Security Council's powers under the Charter. What are the powers of the Security Council?

The Security Council is given the responsibility under the Charter to “determine the existence of any threat to the peace, breach of the peace or act of aggression”. If it makes such a determination with respect to the situation in Palestine, the Council is required by the Charter to act. Its finding and subsequent action might arise either in connection with incursions into Palestine from

the outside or from such internal disorder as would itself constitute a threat to international peace.

If the Council finds that a threat to the peace or breach of the peace exists, the Charter authorizes it to follow various lines of action. It is empowered to make recommendations, or to take “provisional measures” under article 40, or to impose economic and other nonmilitary sanctions under article 41, or to take military measures under article 42. The Council is required to follow one or more of these lines of action. It may pursue these lines of action in any sequence it deems proper.

Although the Security Council is empowered to use, and would normally attempt to use, measures short of armed force to maintain the peace, it is authorized under the Charter to use armed force if it considers other measures inadequate. A finding by the Security Council that a danger to peace exists places all members of the United Nations, regardless of their views, under obligation to assist the Council in maintaining peace. If the Security Council should decide that it is necessary to use armed force to maintain international peace in connection with Palestine, the United States would be ready to consult under the Charter with a view to such action as may be necessary to maintain international peace. Such consultation would be required in view of the fact that agreement has not yet been reached making armed forces available to the Security Council under the terms of article 43 of the Charter.

The Security Council is authorized to take forceful measures with respect to Palestine to remove a threat to international peace. The Charter of the United Nations does not empower the Security Council to enforce a political settlement whether it is pursuant to a recommendation of the General Assembly or of the Council itself.

What this means is this: The Council under the Charter can take action to prevent aggression against Palestine from outside. The Council by these same powers can take action to prevent a threat to international peace and security from inside Palestine. But this action must be directed solely to the maintenance of international peace. The Council's action, in other words, is directed to keeping the peace and not to enforcing partition.

The United States Government believes that the first of the three requests made by the General Assembly to the Security Council under its resolution of November 29, 1947, can properly be complied with by the Council. With respect to the second and third requests of the Assembly's resolution—requests (b) and (c)—the Council must act, if necessary, to preserve international peace and security or to curb and reject aggression as provided for in the Charter.

We come now to the second of the documents before us, namely, the First Monthly Report of

the Palestine Commission to the Security Council dated February 2, 1948.⁵ It reflects the seriousness and the diligence with which the Commission has addressed itself to its difficult task in the course of its 26 meetings in January. The report contains a useful and practical analysis of the tasks set for the Commission by the General Assembly and lists the significant dates which constitute the framework of implementation. Two elements in the report are deeply disturbing to my Delegation. The first is the refusal of the Arab Higher Committee to designate representatives to consult with the Commission. The other is the continued deterioration of the situation in Palestine. The report shows the need for continued negotiations by the Commission with the Mandatory Power, and with representatives of the Jewish and Arab communities of Palestine, if the Commission is to proceed with its task.

My Delegation believes that, with respect to this first report, the Security Council might wish to inform itself of the situation to determine what guidance or instructions it might usefully give to the Palestine Commission. To that end, we suggest that the Security Council itself consult at once, by means of a committee, with the Palestine Commission, the Mandatory Power, and the representatives of the communities of Palestine.

The third document before us is the First Special Report of the Palestine Commission to the Security Council on the problem of security, dated February 16, 1948.⁶ This report contains an appraisal by the Commission of the security situation in Palestine as well as the Commission's estimate on the security situation which it believes can be expected upon the termination of the mandate. This special report on security does not allege that a threat to the peace, breach of the peace, or act of aggression has occurred in Palestine. It reports facts which, if accepted or substantiated by the Security Council, would appear to lead to the conclusion that a threat to international peace is present in that situation. With this special report before it, the Security Council must, in our opinion, look into the matter immediately to determine whether such a danger exists.

The report looks ahead to what it considers will happen in the future and clearly implies that a threat to the peace and a breach of the peace will occur if the Commission continues its effort to carry out the Assembly's resolution. Perhaps the most emphatic illustration is found at page 18, VIII, "Conclusion", subparagraph 5:

"It is the considered view of the Commission that the security forces of the Mandatory Power, which at the present time prevent the situation from deteriorating completely into open warfare

on an organized basis, must be replaced by an adequate non-Palestinian force which will assist law-abiding elements in both the Arab and Jewish communities, organized under the general direction of the Commission, in maintaining order and security in Palestine, and thereby enabling the Commission to carry out the recommendations of the General Assembly. Otherwise, the period immediately following the termination of the Mandate will be a period of uncontrolled, widespread strife and bloodshed in Palestine, including the City of Jerusalem. This would be a catastrophic conclusion to an era of international concern for that territory."

The Commission has reached the conclusion that it cannot fulfil its functions under the General Assembly resolution unless armed forces are provided to the Commission by the Security Council. In its final conclusion it refers to "that effective assistance without which, it is firmly convinced, it cannot discharge the great responsibilities entrusted to it by the General Assembly".

The three documents before us raise the broad question of the action which the Security Council should now take with respect to Palestine. The United States believes that such action should be of two kinds. In the first place, the Security Council should go immediately into the question of the maintenance or restoration of international peace. The information which is officially before us, as well as unofficial reports from Palestine, indicates that a major security problem is involved. In our view there is no question either about the Security Council's obligations or about its powers to deal with dangers to the peace. The second type of action should be directed toward giving effect to the recommendation of the General Assembly with the full use of, but within the limitations of, the powers of the Security Council under the Charter. While taking necessary measures to maintain international peace, the Security Council should make every effort to get an agreement on the basis of the General Assembly recommendation for the underlying political difficulty. For this purpose the Security Council should begin at once its consultations with the Palestine Commission, the Mandatory Power, and representatives of the principal communities of Palestine. These consultations should, we suggest, be held in New York in order that the Council itself may be kept closely advised at all stages.

Although we do not wish to place specific resolutions before the Council at this early stage of the discussion, I believe we should have in mind the desirability of the following specific steps which the Council might take at once: (a) to accept the tasks which the General Assembly asked the Security Council to accept in its recommendation of November 29, 1947, on Palestine, subject to the authority of the Security Council under the Charter; (b) to establish a committee of the Council,

⁵ U.N. doc. A/AC. 21/7, Jan. 29, 1948.

⁶ U.N. doc. A/AC. 21/9, Feb. 16, 1948.

comprising the five permanent members, to look at once into the question of the possible threats to international peace arising in connection with the Palestine situation and to consult with the Palestine Commission, the Mandatory Power, and representatives of the principal communities of Palestine concerning the implementation of the General Assembly recommendation; (c) to call upon all governments and peoples, particularly in and around Palestine, to take all possible action

to prevent or reduce the disorders now occurring in Palestine.

There is no reason to believe that the Security Council will find this problem any less difficult than others have found it. But there is also no reason for excessive pessimism merely because the question is complicated and involves violence. The responsibilities of the Security Council in this situation are great. We feel confident that all of the members are ready for the Council to address itself at once to its task.

U.S. DRAFT RESOLUTION ON THE PALESTINE QUESTION⁷

THE SECURITY COUNCIL,

Having received the resolution of the General Assembly of 29 November 1947, on Palestine, and having received from the United Nations Palestine Commission its First Monthly Report, and its First Special Report on the Problem of Security in Palestine;

Resolves:

1. To accept, subject to the authority of the Security Council under the Charter, the requests addressed by the General Assembly to it in paragraphs (a), (b) and (c) of the General Assembly Resolution of 29 November 1947;

2. To establish a committee of the Security Council comprising the five permanent members of the Council whose functions will be:

(a) To inform the Security Council regarding the situation with respect to Palestine and to make recommendations to it regarding the

guidance and instructions which the Council might usefully give to the Palestine Commission;

(b) To consider whether the situation with respect to Palestine constitutes a threat to international peace and security, and to report its conclusions as a matter of urgency to the Council, together with any recommendations for action by the Security Council which it considers appropriate;

(c) To consult with the Palestine Commission, the Mandatory Power, and Representatives of the principal communities of Palestine concerning the implementation of the General Assembly recommendation of 29 November 1947.

Appeals to all Governments and peoples, particularly in and around Palestine, to take all possible action to prevent or reduce such disorders as are now occurring in Palestine.

Need for Elections in Korea

RESOLUTION ADOPTED BY THE INTERIM COMMITTEE¹

WHEREAS the Chairman of the United Nations Temporary Commission on Korea, accompanied by the Assistant-Secretary-General, consulted the Interim Committee on the following questions:

"1. Is it open to or incumbent upon the Commission, under the terms of the General Assembly resolutions of 14 November 1947,² and in the light of developments in the situation with respect to Korea since that date, to implement the programme as outlined in resolution II in that part of Korea which is occupied by the armed forces of the United States of America?

2. If not,

(a) Should the Commission observe the election of Korean representatives to take part in the consideration of the Korean question, as outlined in resolution I of 14 November 1947, provided that it has determined that elections can be held in a free atmosphere? and

(b) Should the Commission consider such

other measures as may be possible and advisable with a view to the attainment of its objectives?"

The Interim Committee,

Bearing in mind the views expressed by the Chairman of the United Nations Temporary Commission on Korea;

Deeming it necessary that the programme set forth in the General Assembly resolutions of 14 November 1947 be carried out and as a necessary step therein that the United Nations Temporary Commission on Korea proceed with the observance of elections in all Korea, and if that is impossible, in as much of Korea as is accessible to it; and

¹ U.N. doc. S/685, Feb. 25, 1948. Submitted by the Representative of the United States at the 255th meeting of the Security Council.

² U.N. Doc. A/AC.18/31. U.S. draft resolution, which was adopted on Feb. 26, 1948.

³ BULLETIN of Nov. 30, 1947, p. 1031.

Considering it important that the elections be held to choose representatives of the Korean people with whom the United Nations Temporary Commission on Korea may consult regarding the prompt attainment of freedom and independence of the Korean people, which representatives, constituting a National Assembly, may establish a National Government of Korea;

Resolves

That in its view it is incumbent upon the United Nations Temporary Commission on Korea, under the terms of the General Assembly resolution of 14 November 1947, and in the light of developments in the situation with respect to Korea since that date, to implement the programme as outlined in Resolution II, in such parts of Korea as are accessible to the Commission.

FOREIGN AID AND RECONSTRUCTION

Request for Continuing Aid to Greece and Turkey

LETTER FROM THE SECRETARY OF STATE TO THE PRESIDENT PRO TEMPORE OF THE SENATE ¹

[Released to the press February 26]

February 28, 1948.

When the Nazis were still unconquered and Japanese power in the Pacific had not yet been broken, the cooperation that had been engendered among the peoples of the world by their realization of mutual danger led us to hope that, following the successful termination of hostilities, we could expect a period in which the community of nations would work together with good-will and understanding for the common objective of universal peace. Many of the countries which had undergone the ravages of enemy occupation, or which had made sacrifices for the allied cause according to their capabilities, looked forward to the opportunity of pursuing, in peace, their national rehabilitation and democratic development. Unfortunately, events have not justified these hopes.

Greece and Turkey were among those countries which had hoped to be able to face their problems of postwar readjustment with the assurance that, as long as their policies did not encroach upon the rightful interests of other countries, they would be free and even encouraged to reestablish their national life on a peacetime footing, thereby contributing to the early return of normal international relationships. However, hostilities had barely ceased before a concerted campaign against both Greece and Turkey was inaugurated in neighboring countries. The purpose of this campaign was clearly to undermine the territorial integrity and political independence of Greece and Turkey which would deprive the peoples of these countries of the very liberties which they had struggled so hard during the war years to retain.

Turkey has been under constant pressure to

grant military bases in the Straits to a foreign power and to cede to that same power Turkish territory in the Kars-Ardahan region. The northern neighbors of Greece have furnished moral and material support to the Greek communist guerrillas who are attempting to overthrow the legal Greek Government and establish the dictatorship of a foreign-inspired minority. This support is being continued in the face of a resolution adopted by the General Assembly of the United Nations last October.

In the circumstances it has been necessary for Turkey, in the interest of her national security, to maintain a large military establishment which constitutes a severe drain on her economy but which cannot be further reduced without destroying the confidence of the Turkish people in their ability to resist aggression. The conditions are even more critical in Greece, where, as the result of enemy destruction, no extensive rehabilitation was possible within the meager resources of the shattered Greek economy which the Germans left behind as a heritage when they withdrew.

The Congress is well aware, I am sure, that, since the liberation of Greece in 1944, several friendly countries have assisted in efforts to restore Greek economic stability, and that large sums have been expended to this end by the British Government, by UNRRA, and by the United States. These efforts have not been unavailing. Without them, I am convinced, Greece would not today be a sovereign nation. They have not, however, accomplished what might have been hoped, primarily because the hostile forces determined to deprive Greece of her sovereignty have, with foreign assistance, intensified their efforts to spread chaos and disintegration.

The importance of assisting Greece and Turkey to maintain their status as free and sovereign na-

¹ Arthur H. Vandenberg. Identical letter was sent on Feb. 26, 1948, to Joseph W. Martin, Speaker of the House. Attached to the letters was a copy of the draft bill.

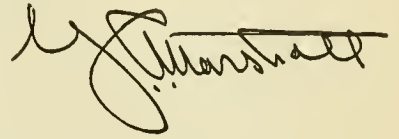
tions, not only as it affects the security of the United States, but also as it relates to the orderly evolution of international peace within the framework of the United Nations, was recognized last year when the Congress approved the request of the President for authorization, under Public Law 75, to extend aid in the sum of \$400,000,000 to these two countries. As a result of that Congressional decision, both Greece and Turkey have been strengthened by the knowledge that the United States was willing to help them resist pressure from beyond their borders. Both have been successful in their efforts to retain their territorial integrity and political independence.

The President, in his second quarterly report on Assistance to Greece and Turkey submitted to the Congress on February 16, reviewed the progress made under this program and stated that additional aid would be sought.² I am now requesting the Congress to amend Public Law 75, authorizing the appropriation of an additional \$275,000,000 to allow the United States to continue financial assistance to Greece and Turkey and a draft bill which will accomplish this purpose is attached. I am advised by the Director of the Budget that the proposed legislation is in accordance with the program of the President. The funds requested are intended for military assistance required by Greece and Turkey, and are exclusive of any economic assistance which will be provided under the European Recovery Program, if that program is authorized by the Congress. The urgency of prompt action by the Congress is emphasized by the necessity for maintaining unbroken the supply lines from this country which support the Greek armed forces now in the field combating the guerrillas. Additional funds are required for the Greek program by April 1 if this flow is to be maintained.

The totalitarian groups whose aggressive aims have thus far been frustrated by the continued existence of a free Greece and a free Turkey are convinced that time will play into their hands; their leaders state with assurance that the United States will soon tire of giving aid to far-off Mediterranean countries, and that eventually they will be able to take over by default. It is my belief, however, that the Congress and the American people are unwilling to abandon the Greek and Turkish people at a time when a foundation is being laid which will enable them to stand their own ground without outside aid. It is in my judgment definitely in our self-interest as a nation and consistent with the principles of the United Nations Charter, to help these free people retain their freedom. A world in which it is possible for indirect aggression to deprive nations of their inherent right to pursue their peaceful national existence would be a world completely devoid of

the ideals which the American people have so recently fought to preserve.

Faithfully yours,



A BILL

To amend the Act approved May 22, 1947, entitled "An Act to provide for assistance to Greece and Turkey".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of Section 1 of the Act entitled "An Act to provide assistance to Greece and Turkey," approved May 22, 1947 (61 Stat. 103), be, and the same is hereby amended to read as follows:

"(2) by detailing to the United States Missions to Greece or Turkey under this Act, or to the governments of those countries in implementation of the purposes of this Act, any persons in the employ of the Government of the United States; and while so detailed, any such persons shall be considered, for the purpose of preserving his rights and privileges as such, an officer or employee of the Government of the United States and of the department or agency from which detailed. Traveling expenses of such personnel to and from the place of detail shall be paid by the Government of the United States. Such personnel, and personnel detailed pursuant to paragraph 3 of this section, may receive such station allowances or additional allowances as the President may prescribe; and payments of such allowances heretofore made are hereby validated.

Civilian personnel who are citizens of the United States detailed or appointed pursuant to this Act to perform functions under this Act outside the continental limits of the United States shall be investigated by the Federal Bureau of Investigation, which shall make a report thereof to the detailing or appointing authority as soon as possible: *Provided, however,* That they may assume their posts and perform their functions after preliminary investigation and clearance by the Department of State."

SEC. 2. Paragraph (3) of Section 1 of said Act is hereby amended to read as follows:

"(3) by detailing to the United States Missions to Greece or Turkey under this Act, or to the gov-

(Continued on page 319)

² Department of State publication 3035.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

		1948
Adjourned During Month of February		
ICAO (International Civil Aviation Organization): First Session of Statistics Division.	Montreal	Jan. 13–Feb. 4
WHO (World Health Organization): Fifth Session of Interim Commission	Geneva	Jan. 22–Feb. 7
Expert Committee on Tuberculosis	Geneva	Feb. 17–Feb. 22
CEEC (Committee on European Economic Co-operation): European Manpower Conference.	Rome	Jan. 26–Feb. 9
Meeting of Special Committee to Make Recommendations for the Co-ordination of Safety Activities in Fields of Aviation, Meteorology, Shipping and Telecommunications.	London	Jan. 27–Feb. 6
International Wheat Council: Special Session	Washington	Jan. 28–Feb. 26
IUBS (International Union of Biological Sciences): Executive Committee .	Geneva	Feb. 2–3
UNESCO (United Nations Educational, Scientific and Cultural Organization): Sixth Session of Executive Board.	Paris	Feb. 12–15
FAO (Food and Agriculture Organization): Regional Meeting to Consider Creation of Councils for Study of the Sea .	Baguio, Philippines . . .	Feb. 23–28
Regional Meeting of Technical Nutritionists	Baguio, Philippines . . .	Feb. 23–29
In Session as of February 28, 1948		
Far Eastern Commission	Washington	Feb. 26–
United Nations:		
Security Council	Lake Success	Mar. 25–
Military Staff Committee	Lake Success	Mar. 25–
Committee on Atomic Energy	Lake Success	June 14–
1947		
Commission on Conventional Armaments	Lake Success	Mar. 24–
Trade and Employment Conference	Habana	Nov. 21–
General Assembly's Special Balkan Committee	Salonika	Nov. 21–
1948		
Commission for Palestine	Lake Success	Jan. 9–
Temporary Commission on Korea	Seoul	Jan. 12–
Security Council's Committee of Good Offices on the Indonesian Question.	Lake Success	Feb. 1–

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

Ecosoc (Economic and Social Council): Sixth Session	Lake Success	Feb. 2-
Interim Committee of the General Assembly	Lake Success	Feb. 23-
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3-
With Spain	Madrid	Nov. 12-
Inter-Allied Trade Board for Japan	Washington	Oct. 24-
CFM (Council of Foreign Ministers):		1947
Commission of Investigation to Former Italian Colonies	Former Italian Colonies	Nov. 8-
		1948
Deputies for Italian Colonial Problems	London	Jan. 29-
Deputies for Austria	London	Feb. 20-
ILO (International Labor Organization): Permanent Committee on Migration.	Geneva	Feb. 23-28
FAO (Food and Agriculture Organization): Mission to Siam	Siam	Jan. 3-
Provisional Frequency Board	Geneva	Jan. 15-
Inter-governmental Maritime Organization	Geneva	Feb. 19-
Scheduled for March-May 1948		
FAO (Food and Agriculture Organization):		
Rice Meeting	Baguio, Philippines	Mar. 1-14
Second Meeting of Council	Washington	Mar. 18-31
PAU (Pan American Union): Governing Board	Washington	Mar. 3
United Nations:		
Ecosoc (Economic and Social Council):		
Subcommission on Employment and Economic Stability	Lake Success	Mar. 8-
World Conference on Freedom of Information	Geneva	Mar. 23-
ECE (Economic Commission for Europe): Third Session	Geneva	Mar. 31-
Social Commission: Third Session	Lake Success	Apr. 5-
Transport and Communications Commission: Second Session	Geneva	Apr. 12-
Subcommission on Statistical Sampling: Second Session	Lake Success	Apr. 12-
Economic and Employment Commission: Third Session	Lake Success	Apr. 19-
Statistical Commission: Third Session	Lake Success	Apr. 26-
Commission on Narcotic Drugs: Third Session	Lake Success	May 3-
Population Commission: Third Session	Lake Success	May 10-
Human Rights Commission: Third Session	Lake Success	May 17-
ECAFE (Economic Commission for Asia and the Far East).	India	May
Praha International Spring Fair	Praha	Mar. 12-21
ILO (International Labor Organization):		
104th Session of Governing Body	Geneva	Mar. 16-20
Industrial Committee on Chemicals	Paris	Apr. 6-17
First Meeting of Planning Committee on High Frequency Broadcasting	Geneva	Mar. 22-
ICAO (International Civil Aviation Organization):		
Aeronautical Maps and Charts Division	Brussels	Mar. 22-
Personnel Licensing Division	Montreal	Mar. 30-
Rules of the Air and Air Traffic Control Practices Division	Montreal	Apr. 20-
Facilitation Division	Europe	May 17-
Legal Committee: Annual Meeting	Geneva	May 29-
Second North Atlantic Regional Air Navigation Meeting	Paris	May
Second European-Mediterranean Regional Air Navigation Meeting	Paris	May

Calendar of Meetings—Continued

Sixth Pan American Railway Congress	Habana	Mar. 27-
Ninth International Conference of American States	Bogotá	Mar. 30-
Conference to Plan for Establishment of an International Institute of Hylean Amazon.	Tingo María, Peru	Mar. 30-
Inter-American Economic and Social Council	Washington	March
Icac (International Cotton Advisory Committee): Seventh Meeting	Cairo	Apr. 1-
Meeting of Technicians in Connection with Final Protocol of Tonnage Measurement of Ships.	Oslo	Apr. 2-
Fifth International Leprosy Conference.	Habana	Apr. 3-11
Lyon International Fair	Lyon.	Apr. 3-12
Royal Netherlands Industries Fair.	Utrecht	Apr. 6-15
26th Milan Fair	Milan	Apr. 12-27
International Conference on Safety of Life at Sea	London.	Apr. 23-
22d International Brussels Fair	Brussels	Apr. 17-28
Third Inter-American Travel Congress	Buenos Aires	Apr. 18-28
Central Rhine Commission	Strasbourg	Apr. 20-
Preparatory Conference for World Aeronautical Radio Conference	Geneva	Apr. 24-May ¹ 15
Rubber Study Group: Fifth Session	Washington.	Apr. 26-
Meeting of the International Commission for the Sixth Decennial Revision of the Lists of the Causes of Death.	Paris.	Apr. 26-30
International Conference of Social Work	Atlantic City	Apr. 17-25
Arts and Handicrafts Exhibition of American Elementary School Children.	Montevideo.	April
Fifth Pan American Highway Congress	Lima.	April
Fourth Pan American Consultation on Cartography.	Buenos Aires	April-May
Pan American Institute of Geography and History: General Assembly.	Buenos Aires	April-May
Paris International Fair	Paris	May 1-17
Zagreb International Fair	Zagreb	May 8-18
Fourth International Congresses on Tropical Medicine and Malaria (including exhibits).	Washington	May 10-18
International Telegraph Consultative Committee	Brussels	May 10-24
World Aeronautical Radio Conference.	Geneva	May 15-
Health Congress of the Royal Sanitary Institute	Harrogate, England.	May 24-28
Canadian International Trade Fair	Toronto	May 31-
Iro (International Refugee Organization): Sixth Part of First Session of Preparatory Commission.	Geneva	May
Pan American Sanitary Organization: Meeting of Executive Committee	Washington	May
Who (World Health Organization): Second Session of Expert Committee on Malaria.	Washington	May
Sixth Meeting of the Caribbean Commission	Undetermined	Latter half of May.

JOINT BRAZIL-UNITED STATES TECHNICAL COMMISSION

[Released to the press February 22]

The Department of State announced on February 22 that the Brazilian and United States Governments are cooperating in the establishment of a joint Brazil-United States Technical Commission for the purpose of making a study of Brazilian resources and capacity for economic development, pursuant to the following terms of reference:

"The Joint Brazil-United States Technical Commission should endeavor to analyze the factors in Brazil which are tending to promote or to retard the economic development of Brazil. This might involve a broad appraisal of the manner, directions, and rates of development of the Brazilian economy, looking toward the most effective and balanced utilization of Brazilian resources. The Commission should give particular attention to the capacity of Brazil for economic expansion through the maximum use of its internal resources. The Commission shall not undertake to appraise the merits of specific projects or to evaluate the desirability of obtaining foreign financing. The Commission, however, should consider measures designed to encourage the flow of private capital to Brazil and where appropriate, may make broad recommendations relative to measures which might facilitate economic development in Brazil.

"The Commission should direct its attention toward an analysis of (1) Brazil's natural and capital resources, (2) the supply of labor, particularly skilled labor, (3) problems in fiscal and banking fields, (4) problems of domestic and international trade, and (5) the position of Brazil in the world economy."

The Brazilian and United States Sections of the Commission will each consist of three members who will be assisted by a technical staff to be furnished by their respective Governments. The Chief of the Brazilian Section and the Chief of the United States Section will serve as co-chairmen of the Commission.

The Commission is now in process of organization and its work in Brazil is expected to begin at an early date.

HERMAN R. LANDON NAMED U.S. DELEGATE TO ILO

The President approved on February 19 the nomination of Herman R. Landon, Assistant Commissioner, Immigration and Naturalization Service, Department of Justice, Philadelphia, to serve as United States Delegate to the Second Session of the Permanent Migration Committee of the International Labor Organization (ILO). The

meeting convened at Geneva, Switzerland, on February 23, 1948. The Department of State submitted the nominations of the delegate and two advisers in concurrence with the Department of Labor. Louis Levine, Chief, Technical Service Division, United States Employment Service, Department of Labor, and Val R. Lorwin, International Labor Economist, Labor Branch, Division of International Labor, Social, and Health Affairs, Department of State, served as advisers.

This session of the Committee was called: (1) to consider proposals for revision of the migration for employment convention of 1939 and related recommendations; (2) to draft a model migration agreement; (3) to consider technical selection and training of migrants; and (4) to discuss cooperation of the International Labor Organization in measures for the coordination of international responsibilities in the field of migration.

FOURTH INTERNATIONAL CONGRESS ON TROPICAL MEDICINE AND MALARIA

[Released to the press February 26]

Replies to the Department of State's invitation to attend the Fourth International Congresses on Tropical Medicine and Malaria, which will be held in Washington, May 10-18, 1948, have been received from 33 nations thus far. Of these, 25 have indicated their acceptance and will send official delegations. They are: Afghanistan, Australia, Austria, Belgium, Bolivia, Dominican Republic, Ecuador, Egypt, Finland, Haiti, Honduras, India, Iraq, Lebanon, Mexico, Netherlands, New Zealand, Pakistan, Panama, Portugal, Saudi Arabia, Siam, Sweden, South Africa, and Venezuela.

Although no formal invitations have been sent to many of the medical, technical, and scientific institutions, societies, and organizations throughout the world, the Department welcomes all interested professional men and women, including students, to participate actively in the congresses. Attendance will be registered. Those who desire to attend should communicate with the Division of International Conferences, Department of State, as soon as possible so that the most suitable hotel reservations may be made.

Correspondents, science editors, and photographers of newspapers, magazines, and journals who wish accreditation should contact the office of the Special Assistant for Press Relations, Department of State, Washington.

The International Congresses on Tropical Medicine and Malaria are meeting again after an interval of ten years, the last joint meeting having been held in Amsterdam. The Fourth Meeting is sponsored by the Department of State in collaboration with other United States agencies and scientific societies interested in tropical medicine.

**United States, France, and United Kingdom Condemn
Development in Czechoslovakia**

DECLARATION

The Governments of the United States, France and Great Britain have attentively followed the course of the events which have just taken place in Czechoslovakia and which place in jeopardy the very existence of the principles of liberty to which all democratic nations are attached.

They note that by means of a crisis artificially and deliberately instigated the use of certain methods already tested in other places has permitted the suspension of the free exercise of parliamentary institutions and the establishment of a disguised dictatorship of a single party under the cloak of a Government of national union.

They can but condemn a development the consequences of which can only be disastrous for the Czechoslovak people, who had proved once more in the midst of the sufferings of the second World War their attachment to the cause of liberty.

[Editor's Note: The above declaration was issued jointly and simultaneously by the United States, the United Kingdom, and France in their respective capitals on February 26. This joint action of the three powers was taken in condemnation of the Communist seizure of power in Czechoslovakia during a Cabinet crisis from February 17 to 25. The crisis was precipitated on the issue whether the organization of the police was to be subject to majority decision of the Cabinet. At the meeting of the Cabinet on February 17 the Communist Premier Klement Gottwald refused to accept or discuss two previous actions of the Cabinet with reference to the police question, and subsequently the non-Communist ministers were unable to obtain satisfaction in this matter. As a result twelve members of the Cabinet representing the National Socialists, People's Party, and the Slovak Democrats, resigned in protest on February 20. During the ensuing days the Communists intimidated the other parties and took over key positions by armed force, mass demonstrations, action committees, and other typical methods in the Communist arsenal of tactics. On February 25 President Benes accepted the resignation of the twelve non-Communist ministers and approved a new Cabinet proposed by Gottwald. The new Cabinet, announced on the same day, consisted chiefly of Communists with limited representation from the other parties subject to complete Communist domination.]

United States and United Kingdom Sign Civil Air Agreement

The final agreement on the Heads of Agreement initialed in Bermuda on February 11, 1946, providing for civil use of leased air bases in the Caribbean area and Bermuda, was signed in Washington on February 24, 1948, by Lord Inverchapel for Great Britain and Secretary of State George C. Marshall for the United States.¹

This formal agreement will supersede the interim arrangement which has governed the civil use of the leased bases in the Caribbean area and Bermuda for almost two years. It represents the culmination of a sincere and prolonged effort to formulate the conditions under which civil aircraft may use the bases, and the two Governments are happy to announce that they believe these conditions will be satisfactory and advantageous to all concerned. They wish to emphasize, however, that the air carriers of third nations will have to be patient, particularly in respect to Kindley Field in Bermuda, until the colonial authorities can provide the necessary terminal facilities to accommodate them. The United States Air Force authorities at Kindley Field have designated a suitable area for civil operations and are cooperating in every way possible to assist the colonial authorities in establishing temporary terminal facilities until the Bermudan Government can execute its plans for permanent facilities. It is not anticipated that there need be any delay in initiating the operations of civil users not requiring allocations of warehousing and terminal facilities. But until facilities are available, the Government of Bermuda regrets that it is compelled to ask airlines of the states authorized to use Kindley Field to seek to arrange for their passengers and aircraft to be handled by one of the existing agencies in Bermuda. The Government of Bermuda will also require well in advance information regarding schedules in order to prevent congestion. The situation will be reviewed at the earliest possible moment.

Background of the Agreement

When the United Kingdom undertook in 1940 to lease to the United States certain areas in Newfoundland, Bermuda, and the Caribbean area for naval and air bases, the subsequent agreement expressly provided that, except in special circumstances or by agreement between the Governments concerned, commercial aircraft should not be allowed to operate from the airfields in the leased areas. It also provided that no commercial activities should be conducted with the leased areas other than with the consent of the Governments concerned.

After the lease of these bases, the United States constructed a large airfield at each of them. With the end of the war, there were obvious advantages in opening, for use by civil aircraft, airfields in the leased areas in territories lacking other satisfactory civil airfields. Such opening would contribute both to the development of air transport and to the territories concerned. But where satisfactory airfields already existed there was not the same reason for arranging for commercial aircraft to use the base airfields.

Some discussions on this subject between the Governments of the United States and the United Kingdom took place in the autumn of 1945 and later at the Bermuda conference, where Heads of Agreement relating to the bases in the Caribbean area and Bermuda were initialed *ad referendum* on February 11, 1946. The Heads of Agreement left some remaining difficulties and complicated legal problems, but subsequent negotiations have resolved these issues. The agreement which has just been signed contains many improvements over the Heads of Agreement, both as to substance and form. Like the Heads of Agreement, however, it does not relate to the bases in Newfoundland. Separate negotiations have been conducted by the United States with Newfoundland looking towards a formal agreement on the civil use of the bases there as weather alternates, but such negotiations have not yet been concluded.

Features of the Agreement

1. Kindley Field in Bermuda, Coolidge Field in Antigua, Beane Field in St. Lucia, and Atkinson Field in British Guiana will be open for regular use by civil aircraft to the extent that accommodations are available. They are referred to as the regular bases, as distinguished from Carlson and Waller Fields in Trinidad and Vernam Field in Jamaica, which will be open to civil aircraft as weather alternates only.

2. Civil aircraft of the United Kingdom and the United States will be entitled to use the bases on equally favorable terms. The positions of both the United Kingdom and the United States in regard to the exercise of traffic rights on the bases have been safeguarded, and provision has been made to insure that the United States, which will maintain the airfields for military purposes, shall enjoy "most favored nation" treatment. Thus it is agreed that no other civil air carrier, including

¹ For text of agreement see Department of State press release 144, Feb. 24, 1948.

civil air carriers of the United Kingdom, will be granted any greater or different traffic rights at the bases than are granted to United States civil air carriers at such bases, with certain exceptions permitted in the case of United Kingdom traffic between two points under its jurisdiction. It is also agreed that the United Kingdom will not grant to civil air carriers of third nations traffic rights which exceed corresponding rights which such third countries grant to United States civil air carriers in their territory.

3. Civil aircraft of all countries granting in their own territories "two freedom" privileges to both United States and United Kingdom carriers may use the bases for non-traffic purposes, subject to the terms of the present agreement, and article I of the two freedoms agreement.

4. Private and charter operators will be permitted to use the bases, in accordance with the terms of the present agreement, for traffic and non-traffic purposes.

5. The agreement provides for the limitation or suspension of civil use of the bases by the United States military authorities for military reasons or by the government of the colony concerned for security reasons. The agreement protects the right of the United States military authorities to insure that no steps are taken in connection with the commercial air operations which would prejudice in any way the military use of the bases.

6. The United States military authorities will exercise administrative and operational control of the bases except as otherwise specifically provided

in the agreement. Airport tower control, approach control, meteorological facilities, and operational communications facilities, and other aids to navigation required by civil aircraft using the bases, will be provided by or under the direction of the United States military authorities.

7. The provision of facilities, supplies, and services required at the bases by civil aircraft will be the responsibility of the colonial government concerned. Such facilities, supplies, and services are to be provided without discrimination and at equitable prices. The colonial government will provide all such facilities for customs, immigration, quarantine, and other similar matters of national interest as may be necessary for civil operations at the bases.

8. Landing fees to be charged for use of the bases by civil aircraft will be determined by the United States military authorities after consultation with the appropriate colonial government unless the local colonial authorities assume responsibility for the maintenance of the base for civil use or for the provision or the maintenance of aeronautical facilities.

9. The agreement will continue in effect until the expiration of the 99-year leases unless either of the two Governments shall, after the agreement has been in effect for 15 years, give to the other notice of termination, in which event the agreement shall cease to be effective two years later. The two Governments plan to consult not less than once in every five years to review the operation of the agreement and make such modifications as may be necessary.

U.S. and Norway Sign Lend-Lease Settlement Agreement

BACKGROUND STATEMENT BY THE DEPARTMENT OF STATE

Representatives of the United States and Norway signed on February 24, 1948, an agreement for over-all settlement of lend-lease and military relief accounts and other war claims.¹ The agreement was signed in Washington by Secretary of State Marshall on behalf of the United States and Ambassador Morgenstierne on behalf of Norway.

The agreement signed constitutes a final settlement for lend-lease, the United States share of civilian supplies furnished by the Allied armies to Norway as military relief, and claims of each Government against the other which arose out of the war.

Total lend-lease aid to Norway amounted to approximately 47 million dollars, including cash reimbursable lend-lease and ships which have been or are to be returned to the United States.

Following the pattern of most previous settle-

¹ For text of agreement see Department of State press release 143, Feb. 24, 1948.

ments, the United States asks no payment for lend-lease supplies used up before V-J Day or held by the Norwegian armed forces. Lend-lease aid in these categories amounted to an estimated 37 million dollars. In consideration of lend-lease supplies held by the Norwegian civilian economy on V-J Day or furnished after that date, which amounted to approximately 800 thousand dollars, and the United States share of civilian supplies furnished as military relief, amounting to an estimated 18 million dollars, Norway waives payment of a balance of some 5.5 million dollars in its favor on intergovernmental shipping claims, and will pay a total of 5.9 million dollars to the United States in the form of (1) real property located in Norway, for use by United States Government agencies, or (2) Norwegian kroner for cultural and educational programs or for payment of United States Government expenses in Norway. Further, the Norwegian Government waives pay-

ment of financial obligations of the United States Armed Forces, incurred while in Norwegian territory, and the United States Armed Forces are turning over to the Norwegian Government their Norwegian currency holding. The Norwegian Government has agreed also to assume certain claims of Norwegian nationals against the United States, such as patent, requisitioning, and maritime salvage claims, and claims arising out of the presence of United States troops in Norwegian territory.

As additional provisions of the settlement the United States Government reserves the right to recapture lend-lease arms held by the Norwegian

forces; lend-lease merchant and naval vessels will be returned in accordance with United States law; and the wartime claims of each Government against the other not already settled or excluded by the agreement are waived.

The two Governments reaffirm their support of the principles set forth in article VII of the mutual aid agreement of July 11, 1942, and their desire to eliminate discriminatory treatment in international commerce and to reduce tariffs and other trade barriers.

The agreement was approved in content by the Norwegian Storting (parliament) before signature.

REMARKS BY AMBASSADOR MORGENSTIERNE

"I am particularly happy to be able to sign this agreement on behalf of my Government. It marks the close of an important period of collaboration between the governments and peoples of Norway and the United States in the common struggle against and victory over the world aggressors.

"I wish to express Norway's deep appreciation of the decisive contribution made by America through lend-lease. History will look upon lend-lease, I am convinced, as an achievement of far-sighted and brilliant statesmanship. In keeping with the spirit of the lend-lease idea the Norwegian economy has

been freed from any burden of repayment for lend-lease contributions for war purposes.

"Also in the settlement of Norway's obligations in connection with the civilian relief goods received just after liberation, the United States Government has shown great understanding of our position in agreeing to terms which do not obligate us to provide dollar exchange.

"The cultural and educational program for which means have been provided through this settlement will be of great and, I am sure, mutual benefit, and is certain to strengthen the cultural ties between our two countries."

STATEMENT BY SECRETARY MARSHALL

I am pleased to sign this agreement on behalf of my Government with the Government of Norway. The occasion reminds us of the great contribution made to victory by Norway, and the invaluable and courageous service rendered to the Allied cause by its ships and men.

The agreement is particularly gratifying since it not only settles, in a mutually satisfactory way, the lend-lease accounts arising out of our close and successful partnership during the war, but, also, it is evidence of the cordial attitude with which our two countries are able to solve mutual problems.

Iran Asked To Clarify Position on Schwarzkopf Mission

[Released to the press February 26]

Text of statement released to the Iranian press on February 25, 1948, by the American Embassy in Tehran

On February 7, 1948, the American Ambassador, G. V. Allen, in the course of a conversation with Mr. Hakimi, raised the question of the Schwarzkopf mission to the Iranian gendarmerie.

The United States Ambassador then presented to the Prime Minister a note describing the position of the United States Government in regard to the mission of General Schwarzkopf and re-

quested the Iranian Government to clarify its position in regard to this mission. It must be an Iranian decision as to whether the contract should be continued as heretofore, renegotiated, or terminated. This was not a note of protest but merely a request for a clear statement of the Iranian Government's position in the matter.

In as much as no reply has yet been received from the Iranian Government, the Embassy is not able to make further comment.

The Embassy, however, must reiterate that the United States Government has always regarded the question of United States military advisers in Iran as entirely a matter for the Iranians themselves to decide.

Draft Agreement of Inter-American Economic Cooperation Prepared

ANNOUNCEMENT BY THE DEPARTMENT OF STATE

[Released to the press February 25]

The Department of State made available February 25 the text of a draft basic agreement of inter-American economic cooperation which has been prepared by the Economic and Social Council of the Pan American Union as a working document for the Ninth International Conference of American States. This preliminary document has been transmitted by the Pan American Union to each of the 21 American republics. The Conference will convene at Bogotá, Colombia, on March 30, 1948.

The Department pointed out that this draft agreement does not commit the United States Government, or any other government, in any way with respect to the position its Delegation may take at the Conference. In a number of important respects, in fact, the draft is at variance with the views of this Government, and reservations have been entered by the United States, in the Council, particularly with respect to provisions relating

to assurances and safeguards for private American enterprises abroad. The Department recognized that the draft agreement in its present form also failed in certain respects to meet the wishes of a number of the other governments, many of which have likewise entered specific reservations. It indicated that the views which American citizens, institutions, organizations, and businesses might wish to express concerning the draft document would be taken fully into account in the preparation of instructions for the United States Delegation.

The document, which is being released simultaneously by other governments, consists of a preamble and chapters on principles, technical cooperation, financial cooperation, private investments, cooperation for industrialization, social guarantees, maritime transportation, inter-American travel, settlement of economic disputes, coordination with United Nations economic organizations, transitory provisions, and ratification and entry into effect.

TEXT OF AGREEMENT

[Released to the press February 25]

The Governments Represented at the Ninth International Conference of American States, Considering:

That it is their desire to maintain, strengthen and develop in the economic field the special relations that unite them within the framework of the United Nations;

That the economic welfare of each State depends in large measure upon the welfare of the others;

That, in accordance with the Charter of the United Nations, they have undertaken to promote social progress and to raise the standard of living within the broadest concept of liberty, as well as to endeavor to obtain opportunities for permanent employment for everyone;

That they have declared, moreover, on various occasions, that they will direct their economic policy toward the creation of conditions which, by means of an increase in production, in domestic and foreign trade, and in national and international investments, may promote everywhere the attainment of high levels of real income, employment and consumption, free from excessive fluctuations, to the end that their people may be fed, housed and clothed in adequate manner and may enjoy the services necessary for health, education and welfare; that industrialization and general economic development are indispensable for the realization of these objectives; and

That at the Inter-American Conference for the Maintenance of Continental Peace and Security they considered that economic security, indispensable for the progress of all the American peoples will be at all times the best guarantee of their political security and of the success of their joint effort for the maintenance of continental peace;

HAVE RESOLVED to authorize their respective representatives, whose Full Powers have been found in good and due form, to subscribe to the following articles:

Chapter I: Principles

Article 1. The American States declare that they have the duty to cooperate for the solution of their economic problems, and to act in their international economic relations animated by the spirit of the good neighbor.

Article 2. The purposes of the cooperation to which this Agreement refers and the principles which will govern it are those set forth in the Charter of the United Nations and in the Organic Pact of the Inter-American System.

Article 3. The American States affirm the principles of equality of access to raw materials, scientific and technical advances, producers' goods, and appropriate distribution of products, which they may require for their industrialization and economic development.

Article 4. The American States agree that bilateral or multilateral arrangements which, in conformity with the principles of this Basic Agreement, contribute to their economic welfare and common security, should be stimulated.

Article 5. The economic cooperation shall be extended in accordance with the terms of this agreement and of any others in force or which may be concluded in the future.

Article 6. The extent and character of economic cooperation shall be determined by each participating country in accordance with its resources and the provisions of its own laws.

Article 7. In general, every country shall have the duty of adopting the domestic measures which are within its power, before requesting foreign financial cooperation.

Chapter II: Technical Cooperation

Article 8. The American States undertake through individual and collective action to continue and expand technical cooperation for the carrying out of studies, for the preparation of plans and for executing projects and activities directed toward strengthening their economic structure, intensifying their agriculture and mining, developing their industry and increasing their trade.

Article 9. The Inter-American Economic and Social Council shall promote and coordinate, within the sphere of its competence, the technical cooperation for giving effect to the objectives stated in the preceding paragraph, and especially the following:

a) Making an inventory of the economic potential of the American countries to determine: i) The situation and future possibilities of each country; ii) The possibilities for cooperation and interchange between the American countries; iii) The possibilities for interchange between the American countries and other countries of the world; iv) The linking of the American countries with the groups of countries included in the application of joint plans for economic recovery.

b) In general, compiling, preparing and placing at the disposal of the interested country or countries the statistical data, information and general plans with respect to the development and utilization of the economic resources of the American countries.

c) Studies of the natural resources of the American States, including minerals, oils, forests, fuels and water power.

d) Promoting laboratory investigations and experimental work which it considers necessary.

e) Studies of technical problems of economy, administration and public finances, tending toward the economic development of the American States.

f) Studies of the possibilities of industrial and agricultural development from the standpoint of raw materials, necessary machinery and equipment, technical procedures, and markets.

g) Examining, at the request of the interested countries, possibilities and conditions for the establishment of new industries or for the increase of those in existence, especially when they are conducive to a more complete utilization of natural resources, when they favor the balance of payments, or when, through reasonable returns, they stimulate full employment and the elevation of the average standard of living.

h) Lending advice and facilitating technical assistance to the countries requesting it, with reference, among other things, to agricultural soil conservation, conservation of forests, minerals, fuels and waters, extension of irrigation works, introduction of new crops, and development of existing crops.

i) Promotion of the training of technical and administrative personnel in all economic activities, encouraging the frequent interchange of professors and students between the technical educational establishments of America, the interchange of specialized administrative officials, conferences and seminars, and apprenticeships in industrial plants or technical schools. The training of technical personnel should cover higher personnel workers, foremen and other auxiliary personnel.

j) Lending of technical assistance to the American countries with respect to their problems of transportation and communications.

k) Lending cooperation in the technical and scientific study of the condition of working people, in order to provide for their vital necessities, elevate their standard of living and their technical proficiency.

l) Studying with the specialized organizations and

promoting the adoption of sanitary standards with respect to plant and animal quarantine for the purpose of reaching an international understanding to avoid the application of such measures as an indirect means of imposing barriers to international trade.

Article 10. To carry out the functions ascribed to it in Article 9, the Inter-American Economic and Social Council shall have a special organism, of an executive and permanent character, in which the existing inter-American organisms charged with similar functions can be merged, and utilizing the economic services of the Pan American Union. The Council shall determine whether the studies which are requested of it are within its competence, and it may also indicate when it is more appropriate that applications addressed to it should be directed to other national or international institutions or to private institutions.

Article 11. In the development of its activities, the Council and the special organism shall maintain communication and exchange of information with the entities which are concerned, in each country, with the study of basic economic problems or which act as planning organizations for the national economy, as well as with the universities and other technical and scientific institutions in the various countries.

Article 12. The Council may on its own initiative undertake to carry out the functions indicated in Article 9, if it receives the approval of the government or governments in whose territory the studies or investigations are to be realized; moreover, it may do so upon the request of one or more of such governments.

Article 13. The participating States obligate themselves to contribute, in proportion to their resources, the necessary amounts to cover the greater expenditure needed for the maintenance of the organism mentioned in Article 10, within the budget of the Inter-American Economic and Social Council. In the case of a study which may benefit a single country, the Council shall decide in what proportion that country ought to contribute to defraying the necessary expenses.

Article 14. Nothing in this Chapter shall be interpreted as contrary to other arrangements between the American States for the reciprocal extension of technical cooperation in the economic field.

Chapter III: Financial Cooperation

Article 15. The American States reaffirm the principles set forth in the Agreement on the International Monetary Fund and declare that the attainment of the objectives contained therein would facilitate a high level of commercial interchange between the American States and with the rest of the world, and would thereby promote general economic and social progress through stimulating the local investment of domestic savings and attracting private foreign capital. They consider it desirable, therefore, to take all the domestic measures that may be conducive to the achievement of the above objectives.

Although the International Monetary Fund is the inter-governmental institution which can best serve in normal circumstances to attain these objectives through international financial cooperation, the American States agree to complement in appropriate cases the operations of the Fund by means of non-discriminatory bilateral agreements consistent with the purposes of the Articles of Agreement of that organization.

Article 16. The American States reaffirm the purposes of the International Bank for Reconstruction and Development and agree to concert their efforts to make the Bank an increasingly effective instrument for the realization of those purposes, especially those related to the promotion of their mutual economic development. They further declare that they will continue to extend medium and long-term credits to each other through governmental or intergovernmental institutions for economic development and the promotion of international trade, for the

purpose of complementing the flow of private investments. The terms of the credits destined for economic development shall be made of sufficient extent so that the services of the loans will not impose excessive burdens on the enterprises which must pay them. Moreover, the American States agree that with respect to these loans an effort will be made to set up a criterion similar to that provided for in paragraph (c), section 4 of Article IV of the Agreement of the International Bank for Reconstruction and Development.

Article 17. The American States recognize that the insufficiency of domestic savings, or the ineffective use thereof, has forced the majority of the countries of America to resort to inflationary practices which may ultimately endanger the stability of their exchange rates and the orderly development of their economies.

The American States agree, therefore, to stimulate the development of local capital markets to provide, from non-inflationary sources, the domestic funds needed to cover investment expenditures in national currency. The American States agree that in general international financing should not be sought for the purpose of covering expenditures in local currency. However, they recognize that as long as the available domestic savings in the local capital markets are not sufficient, expenditures in local currency can, in justified circumstances, be considered for the financing referred to in Article 16.

Chapter IV: Private Investments

Article 18. The American States declare that the investment of private capital and the introduction of advanced techniques from other countries may constitute an important factor in their general economic development and resulting social progress. They also declare that such capital and techniques should be available on reasonable terms and conditions for the countries which need them and should be utilized for productive purposes suited to such countries, and should contribute especially to increasing their national income and giving an impulse to their economic development.

The American States shall reciprocally grant each other appropriate facilities and incentives for the investment and re-investment of capital, and, under normal conditions, for the transfer of capital and earnings.

Foreign capital shall receive equitable treatment. No discriminations shall be applied except when its investment must be limited or conditioned by fundamental principles of public interest.

Article 19. The American States declare that foreign investments should be made with the objective not only of the legitimate profit of those making the investment but also as a means of collaborating in the sound economic development of the receiving countries and of watching over the welfare of the persons dependent upon the enterprises. In the enterprises established by such investments and in accordance with the laws in force in each country just, equitable and non-discriminatory treatment shall be accorded to all personnel, both national and foreign, with respect to employment and conditions thereof.

Article 20. Foreign capital shall be subject to national laws. The American States reaffirm their right to establish, within an order of equity and of legal and judicial guarantees:

a) measures to prevent foreign investments from being utilized directly or indirectly as an instrument for intervening in national politics or for prejudicing the security or the fundamental interests of the receiving country;

b) standards with respect to the extent and terms in which foreign investment will be permitted, as well as reasonable conditions respecting the propriety of existing and future investments.

Article 21. The American States shall take no discriminatory action against investments by virtue of which

the deprivation of property rights legally acquired by foreign capital or enterprises is carried out under conditions different from those which the constitution or laws of each country established for the expropriation of national property.

Article 22. In the bilateral or multilateral agreement which the American States may enter into for carrying out the purposes expressed in this Chapter, account shall be taken of the special situation of the contracting parties and of the interest which they have in foreign investments for their economic and social development.

Article 23. The American States, in order to stimulate the investment of private capital, shall endeavor to conclude bilateral or multilateral agreements with the object of eliminating double taxation. In such agreements they shall try to resolve other problems of a taxation character.

Chapter V: Cooperation for Industrialization

Article 24. The American States reiterate that the sound industrialization of those of them which have not succeeded up to the present in making full use of their natural resources is indispensable for stimulating international commerce, the volume of employment, and principally the improvement of living standards.

They accordingly recognize that they are obligated to cooperate with each other by all appropriate means so that their industrialization is not retarded but is rather accelerated to the extent possible.

Article 25. Concretely—and without prejudice to the various forms of cooperation provided for in other chapters of this Agreement—the American States reiterate the reciprocal obligation of doing whatever is in their power to satisfy, on favorable terms, at just prices, and without any discrimination, requests for machinery, equipment, goods, raw materials and means of transport required for their industrialization or the development and exploitation of their natural resources.

Chapter VI: Social Guarantees

Article 26. The American States, within the economic objectives expressed in this Agreement, agree to cooperate in the most effective possible manner, in the solution of their social problems, and to adopt measures appropriate to their political and social institutions leading to:

a) Assuring the effective reign of social justice and good relations between workers and employers.

b) Fostering opportunities for useful and regular employment, at fair wages, for all persons who want and are able to work.

c) Minimizing the disruptive effect of illness, old age, temporary unemployment and work hazards on the continuity of earnings.

d) Safeguarding the health, welfare and education of the entire population, with special regard to maternal and child health.

e) Providing suitable administrative machinery and personnel to implement these programs.

Chapter VII: Maritime Transportation

Article 27. The American States agree to encourage and coordinate the most effective use of their transportation facilities, including ports and free ports, so as to satisfy their economic needs at the lowest possible cost compatible with reliable and adequate service.

Article 28. The American States agree to take all legislative or other measures necessary to insure that merchant vessels and cargoes of the American States shall in all respects receive national and most-favored-nation treatment within the ports, waters and places, provided that each party may reserve usual exclusive rights and privileges to its own merchant vessels with respect to coasting trade, inland transportation and national fisheries.

Article 29. The American States agree to eliminate unnecessary legal restrictions by governments affecting transportation engaged in international trade, so as to promote the availability without discrimination of transportation services to the commerce of the Hemisphere and in order that commercial cargoes of the American States may have equal access to all the ships under the flag of the American Nations.

Article 30. The American States agree to encourage the reduction of transportation costs through the lowering of freight rates, fees and other charges and imposts which unduly restrict inter-American maritime trade.

Article 31. The American States agree to take all possible measures to eliminate laws or regulations restricting to national carriers goods moving in international trade.

Article 32. The provisions of the present Chapter do not imply a limitation with respect to measures which the American governments may have adopted, for the purpose of stimulating the creation or development of their merchant marines, to the benefit of the commercial transport services of the Hemisphere; on the understanding that such measures will not signify restrictions on competition with respect to the merchant fleets of other countries, but solely and exclusively subsidies or aids for the creation, development and encouragement of national merchant fleets.

Chapter VIII: Inter-American Travel

Article 33. The American States declare that the development of inter-American travel, including tourist travel, constitutes an important factor in their general economic development which contributes to expanding trade, facilitating technical cooperation and increasing economic understanding. They, therefore, undertake to promote national and international action to reduce restrictions on non-immigrant travellers of the American States.

Chapter IX: Settlement of Economic Disputes

Article 34. The American States agree, individually and collectively, to resort only to orderly and amicable means for the settlement of all economic disputes between them. They agree in such controversies to enter into consultations through diplomatic channels for the purpose of reaching a mutually satisfactory solution. If such consultations prove ineffective, any State which is party to the dispute may request the Inter-American Economic and Social Council to arrange for further discussions sponsored by the Council for the purpose of causing an amicable settlement of the dispute.

The Inter-American Economic and Social Council in such cases shall consult the American States parties to the dispute and shall assist them in adjusting their differences in a satisfactory manner.

Nothing in this Article shall prevent the American States from entrusting the solution of their disputes to other procedures by virtue of agreements already in existence or which may be concluded in the future.

Chapter X: Coordination with United Nations' Economic Organizations

Article 35. Relations between the Inter-American Economic and Social Council and the specialized economic organizations of the Inter-American System, and the United Nations and its specialized agencies, shall be established in accordance with the provisions of the Organic Pact of the Inter-American System.

Chapter XI: Transitory Provision

Article 36. The Inter-American Economic and Social Council shall prepare, where it may be necessary, the drafts of multilateral conventions to carry out the undertakings set forth in the present Basic Agreement of Economic Cooperation, for consideration at the next Inter-American Economic Conference.

Chapter XII: Ratification and Entry Into Force

Article 37. The present Basic Agreement of Inter-American Economic Cooperation shall remain open to signature by the American States, and shall be ratified in accordance with their respective constitutional procedures. The original instrument, whose texts in Spanish, English, Portuguese, and French are equally authentic, shall be deposited with the Pan American Union, which shall send certified copies to the Governments for purposes of ratification. The instruments of ratification shall be deposited in the Pan American Union, which shall notify the signatory Governments of such deposit. Such notification shall be considered an exchange of ratifications.

Article 38. The present Agreement shall enter into effect as among the ratifying States, when two-thirds of the signatory States have deposited their ratifications. The present Agreement shall enter into effect with respect to the other States in the order in which they deposit their ratifications.

Article 39. The present Agreement shall be registered in the General Secretariat of the United Nations through the Pan American Union, upon the deposit of the ratifications of two-thirds of the signatory States.

Article 40. Amendments to the present Agreement may be adopted only at an International Conference of American States held for such purpose. The Amendments shall enter into force under the same terms and in accordance with the procedure established in Article 37.

Extension of Ship Sales Act of 1946

LETTER FROM THE SECRETARY OF STATE TO THE CHAIRMAN OF THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

February 17, 1948.

MY DEAR MR. CHAIRMAN:

I regret very much that the particular individuals from the Department that I would have asked to present the matter of the extension of the Ship Sales Act are not available today. Mr. Clayton returns from Havana tonight. Mr. Norton, Assistant Secretary in charge of this phase of our

activities, is in Geneva, Switzerland. Mr. Thorp, the Assistant Secretary for economic affairs who is also interested in the matter, is attending the meeting of the Economic and Social Council of the United Nations in New York today.

Therefore, I have asked Mr. Radius, Director of the Office of Transportation and Communication, to present this letter from me and to answer

March 7, 1948

any immediate questions you might desire to ask him.

I understand that the Merchant Marine and Fisheries Committee of the House of Representatives is considering the advisability of the extension of the Merchant Ship Sales Act of 1946.¹ I would like to present to this Committee the position of the Department of State with respect to the extension of the authority of the United States Maritime Commission to sell, charter and operate Government-owned vessels which were built during the war.

On December 1, 1947, the President recommended to Congress that this authority, which will expire on February 29, be extended until June 30, 1949. On February 5 the Senate passed a joint resolution which would extend the authority of the Maritime Commission, as requested by the President, but with an amendment prohibiting the sale or charter of vessels to non-citizens after March 1 of this year.

I strongly urge that this authority now vested in the Maritime Commission be extended without limiting amendments to June 30, 1949. I firmly believe that this Government should have the authority to dispose of surplus vessels to non-citizens when such disposition would be in the national interest and would not endanger our national security.

Fourteen million deadweight tons of vessels are now idle in our laid-up fleet. This tonnage includes vessels for which there is no demand either for charter or purchase by American operators but which could be advantageously operated by citizens of countries whose economic development and political stability are in our national interest. The sale of such vessels would produce revenue to the United States Government, reduce the cost of foreign assistance programs and aid in attaining the objectives of our national policy. In some instances, the sale of only a few vessels would have advantages to the conduct of foreign policy out of proportion to the small number of vessels involved.

I am fully aware that the sale of vessels to non-citizens is related to national security. I consider the Merchant Marine an important element in national defense. The Department of State is vitally concerned with matters affecting national security. Since the Merchant Ship Sales Act of 1946 already provides for consultation with the Secretary of the Navy with respect to sales to non-citizens, I believe that the national defense aspects of any such sales are adequately safeguarded by the present language of the Act. For your further information regarding the national security aspects of this problem, I am attaching a copy of the letter from the Secretary of Defense to Senator Vandenberg dated February 11, 1948.

¹For a statement by Secretary Marshall before the House of Representatives Committee on Merchant Marine and Fisheries see BULLETIN of June 22, 1947, p. 1225.

It has been contended that any further sale of vessels to non-citizens will jeopardize the American Merchant Marine. I understand that today the active, privately-owned American Merchant Marine consists of approximately 10,500,000 deadweight tons. This compares with an active fleet of 9,300,000 deadweight tons in 1939 and with a long range permanent Merchant Marine, estimated by the Maritime Commission and concurred in by the Armed Services and the President's Advisory Committee on the Merchant Marine, of approximately 11,500,000 deadweight tons.

In my opinion, the privately-owned fleet should constitute the backbone of the American Merchant Marine. All measures consistent with our national and foreign policy should be taken to encourage its development, maintenance and operation at high-level efficiency. The ultimate strength of this fleet depends upon the adoption and carrying out of a positive, sound, long-range program for development and replacement.

In addition to this privately-owned fleet, there are today in operation approximately 1,000 ships of nearly ten million deadweight tons, owned by the Government and chartered to private operators. Most of these chartered vessels are carrying bulk cargoes in relief and recovery programs. It is essential that sufficient tonnage be readily available to meet these requirements. Within the next four years it is expected that these extraordinary bulk cargo movements will disappear. There is no reason to assume that private American operators will purchase sufficient tonnage to remove the need for the temporary use of some Government-owned vessels.

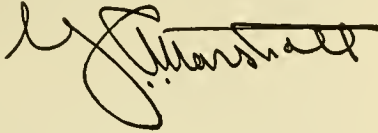
I am not sufficiently acquainted with the details of charter and general agency operations to give an opinion as to the most desirable method of providing Government-owned tonnage for essential, but temporary, transport. The point I wish to stress, however, is that efficient and economical transport will depend upon the availability of an adequate volume of tonnage to supplement our privately-owned fleet at the lowest possible cost to the American taxpayer.

A major interest of this Government is the transportation of national interest passenger traffic, such as Government officials, businessmen traveling abroad in the interests of restoring trade, relief workers, repatriates and their accompanying alien relatives, and displaced persons, the continuance of which will require an extension of the Maritime Commission's operating authority. I believe you are already familiar with this problem and rather than cover the details in this statement, I am submitting the enclosed memorandum giving you further information.

In closing, I do not hesitate to recommend the extension, without limiting amendments, of the Merchant Ship Sales Act of 1946 to June 30, 1949, and continuation of the authority of the Mari-

time Commission to operate vessels for this same period. I consider these measures to be essential to the furtherance of our national interests and consistent with our national security.

Faithfully yours,



Enclosures:

Copy of letter to Senator Vandenberg from the Secretary of Defense
Memorandum—National Interest Passenger Transport

The Honorable

ALVIN F. WEICHEL, *Chairman,*
House Committee on Merchant Marine and Fisheries,
House of Representatives.

THE SECRETARY OF DEFENSE
Washington, 11 February 1948.

MY DEAR MR. CHAIRMAN:

In my testimony before your Committee, to which you refer in the letter you sent me today, I said: "Our purpose and object is totally and exclusively to prevent another war by the creation of the political and economic and social equilibrium which is requisite to the maintenance of peace."

The providing of shipping is a major part of the means by which we hope to accomplish this purpose and object. As you know, I feel strongly that peace and security cannot be viewed merely in terms of great military power or wealth in the hands of the United States alone—and this is as true of shipping as it is of any other element of power or wealth.

In your letter, you have adverted to a suggestion that we transfer or sell 500 vessels, and have asked me these specific questions: "What impact, if any, would the sale or transfer of these ships as contemplated in the Administration's program have upon the national security interests of the United States? Would it be advisable, from a national security viewpoint, to sell or transfer any such vessels?"

First, let me state my own understanding of the suggestion referred to in your letter. My understanding is this: That the figure of 500 vessels is a ceiling figure, designed to provide the Administrator with a desirable amount of flexibility; that within this ceiling figure of 500, it is proposed to transfer title to not more than 200 vessels; that it is proposed to charter not more than 300 vessels, thereby making the ceiling figure 500, as previously mentioned; and that all of the vessels under discussion are dry cargo vessels.

It is also my understanding, as set out at some length in the report of the Harriman Committee, that the charter or transfer of title of these vessels is to take the place of any extensive shipbuilding programs in the European countries themselves—programs which would necessarily use up new steel, labor and critical materials that can better be used for other purposes.

It is not my aim to give you the impression that the charter or transfer of title of 500 vessels, or of any lesser number, will be completely without impact on our own military strength. There will undoubtedly be some effect—but it is my opinion that we stand to gain more by such charter or transfer, from an over-all national security standpoint, than we stand to lose.

In this connection, in a recent memorandum to me on the general subject of shipping, the Joint Chiefs of Staff said: "It is recognized that considerations other than

military may make it desirable to dispose of some ships to foreign governments or non-citizens in furtherance of national policy. It is entirely possible that a greater ultimate military advantage might in fact be achieved by such use of some of the reserve tonnage now than would result by holding it idle for possible future use under war emergency conditions."

Obviously, there might be changing circumstances as the European Recovery Program progresses, and it would therefore be my suggestion—in which the Secretary of State concurs—that the Act provide that the Administrator, prior to transfer of title to any vessel, shall consult with the Secretary of Defense with regard to the impact on national security of the proposed transfer.

This whole matter, in my opinion, is closely related to the maintenance, by this country, of a healthy domestic shipbuilding industry. It is decidedly in the interest of national security that we maintain our own shipbuilding capacity—and with that end in view, I suggest that your Committee consider the correlation between the transfer of the relatively slow American ships now in the laid-up fleet and the construction, in this country and for our own use, of faster and more modern vessels—perhaps through transfer to an appropriation available for shipbuilding purposes of proceeds derived from the sales of any vessels disposed of under the European Recovery Program.

Sincerely,

JAMES FORRESTAL

The Honorable

ARTHUR H. VANDENBERG
Chairman, Committee on Foreign Relations
United States Senate
Washington, D.C.

MEMORANDUM

NATIONAL INTEREST PASSENGER TRANSPORT

The Department of State submits the following information on national interest passenger transport.

Repatriation of American Citizens.

The following is a summary of the position with respect to the repatriation program of the Department:

The program is practically ended in the north of Europe, the Near East, the Middle East and in the Orient except for stragglers.

By the end of the fiscal year 1948, the programs for Greece and Austria should be completed and that for Hungary nearly completed. Except for special cases repatriation from Germany should also be completed in the present fiscal year.

In the fiscal year 1949 the repatriation program will be chiefly concerned with Americans who have been unable to leave Eastern European territory and Americans from Italy.

In the fiscal year 1945, 5,121 persons were repatriated; in 1946, 20,841; in 1947, 33,475; and in the first six months of fiscal year 1948, 8,619.

There are approximately 34,500 persons remaining to be repatriated as of January 1, 1948. The recapitulation by areas is as follows:

Mediterranean

(Albania, Cyprus, Greece, Italy
Yugoslavia) 13,363

Central Europe

(Germany) 852

Inner Europe

(Austria, Czechoslovakia, Hungary) 897

THE RECORD OF THE WEEK

Baltic Sea

(Poland) 17, 578

Black Sea

(Rumania, USSR) 1, 563

Far East

(Japan) 240

Other areas

(N. Europe, Near East, etc.) 81

TOTAL 34, 574

Estimated total to be repatriated between January 1 and June 30, 1948 . . . 8,000.

The foregoing compares with the Department's estimate given last year during consideration of extension of the Maritime Commission's Authority to operate vessels. At that time the number of persons remaining to be repatriated was estimated as 40,000 and the opinion was expressed that if emergency shipping were available, virtually all could be returned to this country by July 1948.

Last year's estimate, like this year's, is based upon the best information available to the Department. The appearance at European consulates of additional Americans who have not heretofore made known their desire for repatriation, sudden shifts to restrictive policies by governments in respect to issuance of exit permits, severe winter conditions which prevent ships entering certain northern ports, and other unexpected conditions, combine to make it next to impossible to estimate any fixed date at which it can positively be asserted that the repatriation program will be finished. On the assumption that present shipping facilities will continue to be available through June 30, 1949, the Department's plans call for the completion of a major portion of the repatriation program by the end of Fiscal Year 1949.

Categories of national interest travellers for whom space is required on Maritime Commission vessels in areas other than Germany and Poland are:

A. Government officials and their families and other official travellers.

B. Business men traveling in the national interest.

C. Officials and employees of relief organizations traveling in the interest of the resumption of normal conditions in afflicted areas abroad.

D. American citizens whose return to the United States was impeded by scarcity of shipping during the war and after.

E. Service dependents in areas where the War and Navy Departments have developed no program for their transportation; service fiancées and Merchant Marine dependents and fiancées in all areas.

F. Dependent alien relatives of American citizens who are properly documented or whose visa issuance is contingent only upon proof of transportation.

G. Students intending to pursue their studies in the United States.

H. American citizens not classifiable under B and C who left the United States after the termination of hostilities despite warning that return transportation might be difficult to obtain.

After all are accommodated, any additional space may be sold to immigrants not included in the priority system.

Displaced Persons

White repatriates are carried on the vessels serving the port of Bremerhaven, they are used principally in transporting displaced persons coming to this country under the President's Directive of December 22, 1945. "Also, all available shipping will be needed if the Congress adopts legislation now pending before it providing for the en-

trance of additional numbers of displaced persons into the United States." In addition, the Preparatory Commission of the International Refugee Organization (PCIRO), which commenced its operation in July 1947, is now utilizing in its displaced persons overseas resettlement program four United States Army transports which are being operated by the Army at PCIRO expense. The Army's continued operation of the vessels for PCIRO beyond March 31, 1948 is contingent upon the extension of Public Law 27 (80th Congress) which allows the waiver of certain navigation and inspection laws by the Coast Guard. If such extension is not approved, PCIRO's overseas resettlement program will be virtually crippled.

This in turn would interfere with and possibly preclude the accomplishment of the International Refugee Organization's basic mission to liquidate the displaced persons problem in from three to five years. Since roughly two-thirds of the more than 750,000 displaced persons now in occupied Europe are a direct United States responsibility, failure of PCIRO's overseas resettlement program would be directly contrary to the interests of the United States. Failure of the basic Iro mission would throw upon the United States taxpayer the full cost of their maintenance (estimated \$130,000,000 annually) and would also prolong this problem indefinitely. 17,030 displaced persons were resettled overseas by PCIRO through use of United States Army transports in 1947, and PCIRO plans similarly to resettle 43,200 in 1948. A special subcommittee of the House Committee on Foreign Affairs, charged with investigating the displaced persons problem and the Iro, specifically urged, on page 64 of its report, that this program not be allowed to lapse.

Consular Convention With Costa Rica Signed

[Released to the press January 13]

A consular convention between the United States and Costa Rica was signed at San José on January 12, 1948, with the Chargé d'Affaires ad interim, John Willard Carrigan, representing the United States, and Alvaro Bonilla Lara, Secretary of State in charge of Foreign Relations, representing Costa Rica. The text of the convention has been developed after extensive study and negotiations and will be used as a model for agreements with other countries where consular activity is now based on custom and usage or outdated agreements. The signing of this convention is further evidence of the mutual trust and high respect which the two countries have for each other and will facilitate the expeditious handling of consular relationships.

The convention establishes a formal reciprocal basis for the exchange of consular officers between the two countries hitherto on the basis of customs and usage, and defines rights and duties covering such matters as privileges and immunities with respect to taxation and import duties, responsibilities and authority in the settlement of decedents' estates, representation of nationals, authentication and notarization of documents, and shipping and merchant-marine problems such as salvage and personnel. The rights of each country to own land for official purposes is also covered.

The convention, pursuant to article XV, will enter into force on the thirtieth day after the day of exchange of ratifications.

Department of State Answers Protests of CIO and AFL Concerning Antistrike, Anti-lockout Law Passed by Greek Parliament

[Released to the press February 3]

The Department of State authorized on February 3 the publication of two letters, one to William Green, President, American Federation of Labor, and one to Philip Murray, President, Congress of Industrial Organizations, in reply to representations made by their organizations with regard to the anti-lockout law passed by the Greek parliament on December 7, 1947. The letters are as follows

February 2, 1948

DEAR MR. GREEN :

On December 15, 1947, Mr. Matthew Woll, on behalf of the American Federation of Labor, sent to the Department a telegram of protest against the anti-strike, anti-lockout law passed by the Greek Parliament on December 7, 1947. We informed Mr. Woll on December 19 that the Department had already expressed to the Greek Government our concern over the provisions of this measure. We have since then continued our discussion of the matter with leaders of the Greek Government.

The leaders of the General Confederation of Labor of Greece have also consulted appropriate Greek Government officials with a view to achieving the repeal of the law. The Greek Government has assured them it will propose repeal to Parliament as soon as the democratically elected National Labor Congress, which will meet in March, has chosen a responsible National Executive for the Greek labor movement.

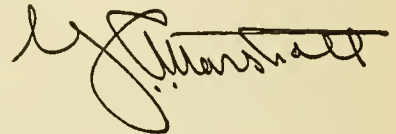
These assurances, which we understand fully satisfy the leaders of Greek labor, were repeated yesterday, February 1, in an official public statement issued jointly by the Prime Minister and the Minister of Foreign Affairs. They expressed the unanimous view of the Greek Government that, with the democratic election of a trade union executive responsible to its members, the emergency which the law was intended to meet will have ceased to exist.

According to our information this law was enacted hurriedly at a time when the very security of Greece was in grave danger as a result of Communist-inspired terror and violence, and when members of the Greek Parliament feared that the outbreak of a number of strikes might bring an end to the independence of the country.

March 7, 1948

In view of the attitude of the leaders of the Greek Government and of the Greek labor movement on this question, I am confident that it will be resolved satisfactorily.

Faithfully yours,



February 2, 1948

DEAR MR. MURRAY :

I have received your letter of January 29, expressing the views of the Congress of Industrial Organizations with regard to the anti-strike, anti-lockout law passed by the Greek Parliament on December 7, 1947.

According to our information this measure was enacted hurriedly at a time when the very security of Greece was in grave danger as a result of Communist-inspired terror and violence, and when members of the Greek Parliament feared that the outbreak of a number of strikes might bring an end to the independence of the country.

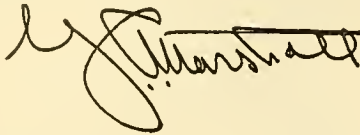
The representatives of the United States Government in Athens have on several occasions expressed to leading members of the Greek Government our concern over the extreme provisions of the law.

The leaders of the General Confederation of Labor of Greece have also consulted appropriate Greek Government officials with a view to achieving the repeal of the law. The Greek Government has assured them it will propose repeal to Parliament as soon as the democratically elected National Labor Congress, which will meet in March, has chosen a responsible National Executive for the Greek labor movement.

These assurances, which we understand fully satisfy the leaders of Greek labor, were repeated yesterday, February 1, in an official public statement issued jointly by the Prime Minister and the Minister of Foreign Affairs. They expressed the unanimous view of the Greek Government that, with the democratic election of a trade union executive responsible to its members, the emergency which the law was intended to meet will have ceased to exist.

In view of the attitude of the leaders of the Greek Government and of the Greek labor movement on this question, I am confident that it will be resolved satisfactorily.

Faithfully yours,



Ceylon Attains Dominion Status

On February 3, 1948, President Truman addressed a message to Sir Henry Moore, Governor General of Ceylon, extending good wishes of the United States on the attainment by Ceylon of Dominion status within the British Commonwealth of Nations on February 4, 1948. Henry F. Grady, United States Ambassador to India, was designated to be the President's personal representative to attend the independence ceremonies at Colombo, February 10 to 14, 1948.

War Damage Compensation for American Nationals in Rumania

[Released to the press February 18]

The treaty of peace with Rumania, which came into force on September 15, 1947, provides that legal rights and interests of American nationals in Rumania as they existed on September 1, 1939, are to be restored and the Rumanian Government is required to return all property in Rumania of United Nations nationals as it now exists. Where property has not been returned within six months from the coming into force of the treaty (i.e. within six months from Sept. 15, 1947), application for the return thereof is to be made to the Rumanian authorities on or before September 15, 1948, unless claimants are able to show that applications could not be filed within that period. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Rumania, the Rumanian Government is required to make compensation in local currency to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. To enable claims to receive consideration under the treaty, claimants must have been nationals of one of the United Nations on September 12, 1944 (the date of the armistice with Rumania), and on September 15, 1947 (the date the treaty came into force), or must establish that under the laws in

force in Rumania during the war they were treated as enemies. Claimants must also be nationals of this Government at the time of the filing of their claims.

The Department of State has recently been advised of the requirements of the Rumanian Government in connection with the preparation of claims and will communicate directly in the near future with all claimants of whom the Department has a record, advising them of such requirements.

American nationals, including individuals, corporations, and associations, resident outside Rumania, who desire to file claims under the treaty should, upon being advised of the requirements in that connection, prepare and submit their claims to the Office of the Legal Adviser, Department of State, Washington, D.C., at the earliest practicable date. Claimants residing in Rumania should, upon receipt of instructions as to the method of preparing claims, prepare and file their claims with the American Legation at Bucharest.

Claimants who desire to file claims of the character indicated but who have not previously communicated with the Department of State regarding that subject should do so at once.

The Department of State and the American Legation at Bucharest will endeavor to render claimants such assistance as is practicable in connection with the preparation of their claims and in the transmittal thereof to the Rumanian Government. Full responsibility for the actual preparation of claims, however, and for the submission of the necessary documentary evidence to establish their validity rests with the claimants and their attorneys.

Appointments to Military Tribunal

The President by Executive Order 9917 (13 *Fed. Reg.* 26) on December 31, 1947, designated the following persons to serve as members on any of the several military tribunals established by the Military Governor for the United States zone of occupation within Germany: John C. Young, formerly chief justice, Supreme Court of the State of Colorado; Leon W. Powers, formerly judge, Supreme Court of the State of Iowa; Lee B. Wyatt, associate justice, Supreme Court of the State of Georgia; Hu C. Anderson, presiding judge, Court of Appeals of the State of Tennessee; Winfield B. Hale, judge, Court of Appeals of the State of Tennessee; Daniel T. O'Connell, associate justice, Superior Court of the State of Massachusetts; William J. Wilkins, judge, Superior Court of the State of Washington; Edward J. Daly, judge, Superior Court of the State of Connecticut; and Robert F. Maguire, attorney of the State of Oregon, as the members; and Clarence F. Merrell, attorney of the State of Indiana, as an alternate member.

Farm Labor Migration Agreement With Mexico

The Department of State made public on February 26 the text of an agreement between the Government of the United States and the Government of Mexico to provide for the temporary employment of Mexican agricultural workers in the United States. The agreement will also make possible the continued employment under new contracts of several thousand workers who were contracted during the last half of 1947 under an agreement between the two Governments which was dated March 10, 1947. It will also replace an agreement of April 26, 1943, which was administered by the Department of Agriculture. The agreement announced on February 26 will be administered by the United States Employment Service of the Department of Labor and by the Immigration and Naturalization Service of the Department of Justice.

Agricultural employers who wish to secure the services of Mexican workers under the agreement must secure prior certification from the United States Employment Service that workers are not

available in the United States at prevailing wages, and must obtain a permit from the Immigration and Naturalization Service authorizing the bringing in of a specified number of workers. The transportation of the workers from the place of contracting in Mexico to the place of employment in the United States and return must be covered by the employer.

Workers contracted, under the terms of the agreement, cannot be used to replace domestic workers, nor to depress wage standards or other labor conditions.

The text of the agreement, which was dated February 21, 1948, and of the form of contract which has been approved thereunder, is contained in Department of State press release 152 of February 26, 1948.

George H. Butler Joins Policy Planning Staff

[Released to the press February 10]

George H. Butler is relinquishing his post as Ambassador to the Dominican Republic in order to become a member of the Policy Planning Staff of the Department of State. Mr. Butler was detailed temporarily as a member of the Policy Planning Staff during the latter half of 1947. He brings to the Planning Staff a specialized knowledge of inter-American relations from his long experience in the Foreign Service of the United States.

Termination of 1942 Panama Defense Sites Agreement

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND PANAMA

[Released to the press February 20]

February 16, 1948.

I have the honor to refer to my note No. 533 of December 31, 1947 regarding the rejection by the National Assembly of Panama of the Defense Sites Agreement signed on December 10, 1947,¹ and informing the Panamanian Government that evacuation of the remaining defense sites in Panama was under way. Reference is also made to the notes exchanged between our two governments with regard to the termination date of the Defense Sites Agreement of May 18, 1942, namely, the Foreign Office's note of August 31, 1946 and the Embassy's note of October 12, 1946.

As Your Excellency is aware, that agreement and its implementation through the full cooperation of the two governments assured the effective protection of the Canal and played an important part in bringing about the successful termination of hostilities. Although my Government has maintained the position, as set forth in its note of October 12, 1946, that it continued to be entitled,

under the express terms of the 1942 Agreement, to the use of the defense sites until one year "after the date on which the definitive treaty of peace which brings about the end of the present war shall have entered into effect", it has nevertheless taken the necessary measures to withdraw from those few remaining sites which had not already been returned to Panama under the provisions of the Agreement. These measures, taken in conformity with the understanding expressed in Article XIII of the 1942 Agreement, were adopted in deference to Panama following the action of its National Assembly on December 22, 1947.

In as much as the evacuation of the defense sites has now been completed, I have the honor, under instructions from my Government, to inform Your Excellency that the Government of the United States of America now considers the Agreement terminated and no longer in effect.

FRANK T. HINES

¹ BULLETIN of Dec. 21, 1947, p. 1219, and Jan. 4, 1948, p. 31.

February 20, 1948.

MR. AMBASSADOR: I have the honor to refer to Your Excellency's note No. 566 of February 16, 1948, by which you have been good enough to communicate to me that the government of the US of America, having evacuated all of the defense sites which had been ceded by reason of the recently terminated international conflagration, considers the agreement of May 18, 1942, terminated and of no future effect.

The expressions contained in Your Excellency's note have pleased my government in the sense that the agreement and its execution, through the wholehearted cooperation of both governments, assured the effective protection of the Panama Canal and had an important part in the victorious termination of hostilities. On that occasion, Panama offered loyally and decisively its full cooperation for the defense of this important key to continental security, and my government reiterates at this time its irrevocable intention to cooperate, with all the means within its reach and within its contractual obligations, in the effective protection of this inter-oceanic route, in order to thus assist in the preservation of the democratic ideals common to us both.

Without referring to the difference of interpretation concerning the termination date of the agreement of May 18, 1942, I wish to inform Your Excellency that my government has taken due note of the statements of the government of the United States with regard to the termination of the above-mentioned agreement.

I take this opportunity [etc.]

MARIO DE DIEGO
Minister for Foreign Affairs

Argentine War Minister To Visit U.S.

[Released to the press February 26]

On behalf of the Department of the Army the Department of State has transmitted an invitation to visit the United States to the Minister of War of Argentina, Major General José Humberto Sosa Molina. The Minister has accepted and it is expected that he will arrive in Washington some time in May.

The invitation is another phase of the Army Department's practice of inviting high-ranking military leaders of the other American republics to visit the United States to inspect military installations and to view United States methods of training, organization, and equipment. In conjunction with General Molina's wishes, the itinerary of military installations he will visit is being drawn up by the Department of the Army.

Letters of Credence

Peru

The newly appointed Ambassador of Peru, Alfredo Ferreyros Ayulo, presented his credentials to the President on February 10. For translation of the Ambassador's remarks and for the President's reply, see Department of State press release 104 of February 10, 1948.

Nepal

The newly appointed Minister of Nepal, General Kaiser Sham Shere Jung Bahadur Rana, presented his credentials to the President on February 19, 1948. For text of the Minister's remarks and the President's reply, see Department of State press release 130 of February 19, 1948.

No Licenses To Be Granted for Exportation of Arms

[Released to the press February 18]

Before and during World War II this Government was subject to considerable embarrassment and expense as a result of efforts made by various American individuals or companies to sell to foreign purchasers arms, ammunition, and implements of war which had been used in World War I and sold by this Government as scrap. In order to avoid the possibility of a repetition of this situation with respect to similar transactions involving World War II war matériel, the Department of State has determined that no licenses shall be granted for the exportation of any arms, ammunition, or implements of war which have been sold by the Government as salvage or scrap.

Protocol for Regulation of Whaling Proclaimed

[Released to the press February 17]

The protocol for the regulation of whaling which was signed at Washington on December 2, 1946, was proclaimed by the President on February 17. The President's proclamation is effective from February 5, on which date the Department of State received notification from the French Government of its acceptance of the protocol. Since the protocol had been accepted previously by the United States, Australia, Canada, Denmark, Iceland, New Zealand, Norway, the Soviet Union, the Union of South Africa, and the United Kingdom, acceptance by France was the last action required to bring the protocol into force between those Governments. Advice and consent to the ratification of the protocol on behalf of the United States was given by the Senate on July 2, 1947.

The protocol provides for the extension of the current Antarctic whaling season for an additional month from next March 7.

Aid to Greece and Turkey—Continued
from page 299

ernments of those countries in implementation of the purposes of this Act, a limited number of members of the military services of the United States to assist those countries, in an advisory capacity only; and the provisions of the Act of May 19, 1926 (44 Stat. 565), as amended, applicable to personnel detailed pursuant to such Act, as amended, shall, except as otherwise provided herein, be applicable to personnel detailed pursuant to this paragraph."

SEC. 3. (a) Subsection (a) of Section 4 of said Act is hereby amended by adding at the end thereof the following:

"The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate \$50,000,000, to carry out the provisions of this Act in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose."

(b) Subsection (b) of Section 4 of said Act is hereby amended by deleting "\$400,000,000" and inserting in lieu thereof "\$675,000,000", and by inserting after the word "repaid" the following: ", without interest,".

THE DEPARTMENT

Paris Peace Conference, 1919 Volume XII Released

Volume XII of *Foreign Relations of the United States*, The Paris Peace Conference, 1919, was released on February 22. This volume is made up of reports of field missions of the American Commission to Negotiate Peace. These missions were sent to Germany, the Baltic provinces, Austria, Czechoslovakia, Poland, Hungary, Yugoslavia, Montenegro, and former Turkish territories to obtain information for the use of President Wilson and other members of the American Commission in their work with the delegates of other Allied and associated powers in preparing a peace settlement. Volume XII completes the *Foreign Relations* series on the Paris Peace Conference, 1919.

The reports of these missions, most of which have not previously been published, throw much light on the problems faced by the statesmen of that time in attempting to restore peace after World War I and supply an interesting background to the more critical but not entirely dissimilar conditions of today. How to curb Communism on the one hand, and to prevent a future German *revanche* on the other, were two major

problems presented in 1919, and economic aid and the restoration of normal trade were solutions suggested.

Copies of *Foreign Relations of the United States*, The Paris Peace Conference, 1919, volume XII (xlv, 881 pp.), may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D.C., for \$3 each.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

United States Armed Forces in Guatemala. Treaties and Other International Acts Series 1663. Pub. 2987. 4 pp. 5¢.

Agreement Between the United States and Guatemala—Effected by exchange of notes signed at Guatemala August 29, 1947; entered into force August 29, 1947.

Liquidation of German Property in Italy. Treaties and Other International Acts Series 1664. Pub. 2989. 11 pp. 5¢.

Memorandum of Understanding Between the United States of America, France, United Kingdom of Great Britain and Northern Ireland, and Italy—Signed at Washington August 14, 1947; entered into force August 14, 1947.

Assistance to European Economic Recovery. Economic Cooperation Series 2. Pub. 3022. 20 pp. 15¢.

Statement by Secretary of State Marshall before the Senate Committee on Foreign Relations in regard to basic questions involved in the European Recovery Program, followed by the President's Message to the Congress of Dec. 19, 1947, on a program for United States aid to European recovery. A list of related publications is included.

The United States and the United Nations: Report by the President to the Congress for the Year 1947. Pub. 3024. xiii, 359 pp. 60¢.

Describes the decisions and recommendations made by the United Nations during the past year and the efforts of the United States to contribute to constructive United Nations achievement. Appendixes include selected resolutions adopted at the Second Regular Session of the General Assembly, selected resolutions considered by the Security Council, papers on atomic energy control, armed forces, and regulation of armaments, addresses by United States Representatives, and lists showing membership of the organs and specialized agencies of the United Nations.

Second Report to Congress on Assistance to Greece and Turkey for the Period Ended December 31, 1947. Pub. 3035. 64 pp. 25¢.

The President's report on the progress of the Greek and Turkish aid programs. Charts and biographic notes on personnel of the Mission are included in the appendixes, as well as exchanges of notes facilitating the carrying out of the program.

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The Department of State

Bulletin

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

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WORK OF THE U.N. GOOD OFFICES COMMITTEE IN INDONESIA

An Article

The signing of the Renville agreement on January 17, 1948, by the Netherlands and the Republic of Indonesia has brought to a close the first phase of the work of the United Nations Security Council's Good Offices Committee on the Indonesian Question. The agreement provides a truce plan, which is being carried out with the assistance of the Good Offices Committee's military observers, and eighteen principles to serve as a basis for a final political settlement and the establishment of an independent United States of Indonesia of which the Republic would be a component part. Henceforth the work of the Good Offices Committee will be directed toward achieving a political agreement that is acceptable to both parties and gives effect to the agreed-upon principles.

Background of the Negotiations

The Republic of Indonesia proclaimed its independence in August 1945, two days after the collapse of Japan and more than a month before the arrival of Allied occupation forces. These forces were under the orders of the Southeast Asia Command to accept the Japanese surrender in the Netherlands East Indies, to evacuate prisoners of war and internees, and to maintain order. Against resistance from Indonesian nationalists who feared reimposition of Dutch rule under cover of Allied occupation, British troops, accompanied by small contingents of Dutch soldiers, were able to occupy only the chief ports of Java and Sumatra. After nearly a year of intermittent negotiations that were frequently interrupted by hostilities, the Netherlands and the Republic initialed the Linggadjati agreement in November 1946. In the same month British troops, their mission completed, were withdrawn. The Linggadjati agreement provided for the *de facto* recognition of the authority of the Republic in Java, Madura, and Sumatra; the establishment by January 1, 1949, of a sovereign, democratic, federal United States of Indonesia (U.S.I.), composed of the Republic and at least two other states to be formed in Borneo and the eastern islands; and the linking of the U.S.I. to the Netherlands in a

Netherlands-Indonesian Union. Although the agreement was finally signed by both governments in March 1947, negotiations aimed at its implementation failed and on July 21, 1947, the Dutch began "police action" that brought under their control economically important areas of Java, Madura, and Sumatra and reduced the Republic to three noncontiguous areas—central Java, westernmost Java, and parts of Sumatra.

The conflict was brought to the attention of the Security Council of the United Nations by Australia and India, and on August 1 the Council called upon both parties to cease hostilities and settle their dispute by arbitration or other peaceful means.¹ In an attempt to assist the parties to come to a peaceful settlement, the United States then tendered its good offices, which were accepted by the Netherlands but in effect refused by the Republic, which insisted upon arbitration. On August 25 the Council resolved to set up a consular commission, composed of the career consuls of Security Council member nations posted in the Netherlands East Indies, to observe the implementation of the cease-fire order. By means of the same resolution, the Council also offered to the disputants its good offices.² Both parties accepted, and a Good Offices Committee, made up of representatives of three Council members, was established. Two of the members, Belgium and Australia, were selected by the Netherlands and the Republic of Indonesia respectively, while the third member, the United States, was chosen by Belgium and Australia. In late October the Good Offices Committee began its work in Indonesia. On November 1 the Council passed a resolution³ that gave the Good Offices Committee the additional duty of assisting the parties to arrive at an agreement to implement the Council's cease-fire order of August 1, which a report of the consular commission had indicated was not being observed.

Conferences between the Good Offices Committee and the parties to the dispute were held aboard

¹ U. N. doc. S/459, Aug. 1, 1947.

² U. N. doc. S/525, Aug. 26, 1947.

³ U. N. doc. S/597, Nov. 3, 1947.

the U.S.S. *Renville*, which had been made available for the negotiations by the United States Government on the request of the Committee, after it had become apparent that the parties could agree on no other meeting place. The Good Offices Committee explored the military and political viewpoints of both parties and informally offered a detailed program for a military truce and a set of principles to serve as a basis for a political settlement. This program became the basis for the *Renville* agreement, which was accepted by both parties on January 17, 1948.

The Renville Agreement

The *Renville* agreement consists of three parts: a truce plan, 12 principles accepted with the truce and designed to serve as a basis for a final political agreement, and six additional principles proposed by the Committee and formally accepted by the parties at a slightly later date. Under the terms of the truce, the Republic accepts the "Van Mook Line", proclaimed by the Dutch in August, as a temporary line of demarcation between Dutch-held and Republican-held territory and as a basis for the establishment of demilitarized zones. Republican troops on the Dutch side of the demarcation line are to be withdrawn to Republican territory under observation of the Committee's military advisers. The truce specifies, however, that establishment of demilitarized zones in no way prejudices the rights, claims, or positions of the parties under Security Council resolutions of August 1, 25, and 26 and November 1, 1947. The 18 political principles provide for the establishment of a sovereign, democratic, federal United States of Indonesia, of which the Republic is to be a component part, and for the transfer of Netherlands sovereignty to the U.S.I. at the end of a "stated interval". During the interim, Netherlands sovereignty is to be recognized and all states are to be granted fair representation in a central interim government. Plebiscites are to be held in the various territories of Java, Madura, and Sumatra (under observation of the Good Offices Committee if requested by either party) to determine whether these areas desire to form a part of the Republic or another state within the U.S.I. Following this delineation of states, a constitutional convention based upon proportional representation is to be held to frame the constitution of the U.S.I. Upon formation, the U.S.I. is to be linked in equal partnership with the Kingdom of the Netherlands in a Netherlands-Indonesian Union under the King of the Netherlands.

⁴ U. N. doc. S/649, Feb. 10, 1948, appendix 8, p. 97 (the 6 principles), appendix 13, p. 111 (the 12 principles), and appendix 11, p. 105 (the truce).

⁵ U.N. doc. S/649, Feb. 10, 1948.

⁶ U.N. docs. S/P.V., 247, 248, 249, 251, 252, 256, and 259.

⁷ U.N. doc. S/678, Feb. 18, 1948.

The political principles also provide that the Committee is to continue to assist the parties in arriving at a political agreement and that either party may request the Committee's assistance at any time during the interim period for the adjustment of any differences between the parties relating to the political agreement.⁴

Implementation of the Truce

Following signature of the *Renville* agreement, both parties began to take steps to implement the truce, with the Good Offices Committee's military observers assisting. Although each side accused the other of violating the truce, evacuation of Republican troops proceeded without incident. Difficulties in communicating with some isolated Republican units made necessary an extension of the period during which evacuations were to take place. By February 22, however, 29,000 Republican soldiers had been returned to Republican territory and the evacuation was considered complete. Conferences are now being held concerning delineation of demilitarized zones, exchange of prisoners, and the use of aircraft.

Preparation for Political Negotiations

Simultaneously with the carrying out of the truce, arrangements for the resumption of negotiations were being made in Indonesia. The parties have agreed to hold future meetings alternately in Batavia and Jogjakarta for three-week periods and to establish four main committees. These committees, on which both parties and the Good Offices Committee are to be represented, will deal separately with political, military, economic and financial, and social and administrative affairs. The work of the main committees is to be assigned and co-ordinated by a steering committee.

Security Council Action on the Committee's Report

On February 10, 1948, the Good Offices Committee submitted to the President of the Security Council its first interim report, covering the Committee's activities through the signing of the *Renville* agreement.⁵ The report was considered by the Council on February 17 and at subsequent meetings on February 18, 20, 21, 26, and 28.⁶

After discussion of the merits of the *Renville* agreement, the debate centered around the role to be played by the Good Offices Committee in future negotiations.

On February 18 the representative of Canada introduced a resolution commending the Good Offices Committee for the assistance given the two parties, maintaining the Council's offer of its good offices contained in its resolution of August 25, 1947, and requesting the parties and the Committee to keep the Council directly informed concerning the progress of the political settlement.⁷

The representative of Australia, who had been invited to the Council table, proposed an amendment to the Canadian resolution which would have stated that the Council considered it within the discretion of the Committee to make and publish suggestions to the parties to assist in reaching a political settlement without waiting for the parties to request such suggestions.⁸ This proposal was not seconded by a member of the Security Council and was subsequently withdrawn by the Australian representative, who stated that, in view of the discussion in the Council, he did not feel it necessary to urge its adoption.

Another amendment to the Canadian resolution, proposed by the Colombian representative, would have invited the parties to avail themselves of the Committee's services for solution of any differences in the interpretation and application of the Renville political principles that might arise and requested the Committee of Good Offices to continue, by means that the Committee considered appropriate, to assist the parties in the implementation of the bases for political settlement already agreed upon.⁹ The representative of the Netherlands objected to this amendment on the grounds that it might change the character of the Good Offices Committee. It was supported only by the United States, Colombia, China, and Syria and therefore failed of adoption.

The original Canadian resolution was adopted without amendment on February 28 by a vote of 7 to 0, with Colombia, Syria, the Ukraine, and the Soviet Union abstaining.

In the meeting of February 28, as well as in the previous meeting of February 26, the representative of the Republic of Indonesia charged that the

Dutch, in violation of the Renville principles, were organizing new states in territory taken from the Republic during hostilities without waiting for the plebiscites to be held under the observation of the Good Offices Committee and without the freedoms guaranteed by the Renville agreement. The representative of China thereupon proposed a resolution requesting the Committee of Good Offices to pay particular attention to political developments in western Java and Madura, the areas in question, and to report to the Council on these developments at frequent intervals.¹⁰ This resolution was passed by a vote of 8 to 0, with Argentina, the Ukraine, and the Soviet Union abstaining.

In supporting the Chinese resolution, the United States Representative, Mr. Austin, stated that, in the view of the United States Government, under the Renville agreement "any new states temporarily formed in Java, Sumatra and Madura, must be the result of actual popular movements, and that there must be at all times freedom of assembly, of speech and of the press. Whether the situation at any time in West Java meets or violates these requirements may be a question of fact. It is, of course, clear from the agreement that whatever provisional governments may arise in these areas will be subject to the free expression of popular will, expressed through plebiscites held in accordance with the Renville Agreement. Meanwhile, it would be expedient for the Committee of Good Offices on the spot to send reports to the Security Council, whenever necessary, on whether the requirements of freedom of assembly, of speech and of the press have been and are being met. . . ." ¹¹

Lingadjati Agreement

The Netherlands Government represented by the Commission General and the Government of the Republic of Indonesia, represented by the Indonesian delegation, being sincerely desirous of ensuring the friendly relations, between the peoples of the Netherlands and Indonesia, by new forms of voluntary co-operation, offering the best guarantee of a sound and strong development of both countries in the future, and which will make it possible to establish on a new basis the relationship between the two peoples:

agree on the following and, at the shortest possible notice will submit this agreement to the approval of the respective parliaments:

Article 1

The Netherlands Government recognize the Government of the Republic of Indonesia as exercising the de facto authority over Java, Madura and Sumatra. The areas, occupied by Allied or Netherlands forces, shall be gradually incorporated, through mutual co-operation, in the republican territory. To this end the necessary measures shall at once be taken in order that this incorporation shall be completed, at the latest, on the date mentioned in article 12.

Article 2

The Netherlands Government and the Government of the

Republic shall co-operate to ensure the early establishment of a sovereign, democratic state on a federal basis, to be known as the United States of Indonesia.

Article 3

The United States of Indonesia shall comprise the entire territory of the Netherlands Indies, it being understood that, in case the population of any territory, after possible consultation with the other territories, should notify by means of a democratic procedure that they are not or not yet willing to join the United States of Indonesia, a special relationship to the States and to the Kingdom of the Netherlands can be established for such a territory.

Article 4

1). The component states of the United States of Indonesia shall be the Republic, Borneo and the Great East, without prejudice to the right of the population of any

⁸ U.N. doc. S/681, Feb. 21, 1948.

⁹ U.N. doc. S/682, Feb. 21, 1948.

¹⁰ U.N. doc. S/689, Mar. 1, 1948.

¹¹ U.N. doc. S/P.V. 259, p. 51.

territory to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined.

2). Without prejudice to the provisions in article 3 and in the first paragraph of this article, the United States of Indonesia will be entitled to make a special arrangement concerning the territory of their capital.

Article 5

1). The constitution of the United States of Indonesia shall be drawn up and enacted by a Constituent Assembly, composed of democratically nominated representatives of the Republic and of the other future partners of the United States, with due observance of the following paragraph of this article.

2). The parties shall consult each other on the method of participation in this Constituent Assembly by the Republic, by the territories, not under the authority of the Republic, and by those groups of the population not or insufficiently represented in the Assembly, the respective responsibility of the Netherlands Government and of the Government of the Republic being duly observed.

Article 6

1). To promote the joint interests of the Netherlands and Indonesia, the Netherlands Government and the Government of the Republic shall co-operate in establishing a Netherlands Indonesian Union, through which the Kingdom of the Netherlands, comprising the Netherlands, the Netherlands Indies, Surinam and Curaçao, shall be converted into the said Union, consisting on the one hand of the Kingdom of the Netherlands, comprising the Netherlands, Surinam and Curaçao, and on the other hand the United States of Indonesia.

2). The foregoing paragraph does not exclude the possibility of any further arrangement affecting the relations between the Netherlands, Surinam and Curaçao.

Article 7

1). In order to promote the joint interests referred to in the preceding article, the Netherlands Indonesian Union shall have organs of their own.

2). These organs shall be formed by the Governments of the Kingdom of the Netherlands and the United States of Indonesia and, if necessary, by the Parliaments of these countries.

3). As joint interests shall be considered co-operation in the field of foreign relations, defence and, as far as necessary, of finance, as well as in economic and cultural matters.

Article 8

At the head of the Netherlands Indonesian Union shall be the King of the Netherlands. The decrees and resolutions for the promotion of joint interests, shall be issued by the organs of the Union in the name of the King.

Article 9

In order to promote the interests of the United States of Indonesia in the Netherlands, and those of the Kingdom of the Netherlands in Indonesia, High Commissioners shall be appointed by the respective governments.

Article 10

The Statute of the Netherlands Indonesian Union shall furthermore contain provisions with a view to:

- a. safeguarding the rights of either party in relation to the other, and guaranteeing the fulfilment of their mutual obligations;
- b. reciprocal civic rights to be exercised by Netherlands and Indonesian citizens;

c. regulating cases where no agreement can be reached in the organs of the Union;

d. regulating the manner in, and the conditions upon which assistance shall be given by the organs of the Kingdom of the Netherlands to the United States of Indonesia, as long as those of the latter are either not or insufficiently organized;

e. safeguarding in both parts of the Union the fundamental human rights and liberties, also referred to in the Charter of the United Nations Organization.

Article 11

1). The Statute of the Union shall be drafted by a conference of representatives of the Kingdom of the Netherlands and of the future United States of Indonesia.

2). The Statute shall come into effect upon approval by the respective parliaments.

Article 12

The Netherlands Government and the Government of the Republic shall endeavour to establish the United States of Indonesia and the Netherlands Indonesian Union before January 1st, 1949.

Article 13

The Netherlands Government shall forthwith take steps with a view to obtaining, after formation of the Netherlands Indonesian Union the admission of the United States of Indonesia as a member of the United Nations Organization.

Article 14

The Government of the Republic recognize the claims of all non-Indonesians to restoration of their rights and restitution of their property, within the territory over which the said Government exercise de facto authority. A joint commission shall be set up to effect such restoration or restitution,

Article 15

In order to reform the government of the Indies in such a way that their composition and functioning shall correspond as closely as possible to the recognition of the Republic and to the projected constitutional structure, the Netherlands Government, pending the creation of the United States of Indonesia and of the Netherlands Indonesian Union, shall forthwith initiate legal measures to adjust the constitutional and the international position of the Kingdom of the Netherlands to the new situation.

Article 16

Directly after the conclusion of this agreement both parties shall proceed to reduce their armed forces. They will consult together concerning the extent and the rate of this reduction, and their co-operation in military matters.

Article 17

1). For the co-operation between the Netherlands Government and the Government of the Republic, contemplated in this agreement, an organization shall be called into existence, consisting of delegations, to be appointed by each of the two Governments, with a joint secretariat.

2). The Netherlands Government and the Government of the Republic shall settle by arbitration any dispute which might arise from this agreement, and which cannot be solved by joint consultation in a conference between the said delegations. In this case a Chairman of another nationality with a casting vote, shall be appointed by mutual consent between the delegations, or failing this, by the President of the International Court of Justice.

Final Clause

This agreement shall be drawn up in the Netherlands and in the Indonesian language. Both texts shall be authentic.

DJAKARTA, *November 15th, 1946.*

This twenty fifth day of March, 1947, this agreement has been signed by the Delegations, duly authorized to that effect, on behalf of the Governments of the Kingdom

of the Netherlands and of the Republic of Indonesia with due regard to the letters and notes, lastly dated March 15th and March 24th, 1947, exchanged between the two delegations in relation to this agreement and annexed hereto.

Four copies of this agreement in the Netherlands language and four copies in the Indonesian language have been signed.

[Here follow the signatures.]

Documents Relating to the Indonesian Situation

INITIAL CORRESPONDENCE

Letter From the Permanent Liaison Officer of India to the President of the Security Council ¹²

30 July 1947

SIR: The following communication has been received from the Honorable Member in Charge of the External Affairs Department in the Government of India:

"I have the honour on behalf of the Government of India to draw the attention of the Security Council under Article 35 (1) of the United Nations Charter to the situation in Indonesia.

During the last few days Dutch forces have embarked without warning on large scale military action against the Indonesian people. These attacks began without warning at a time when a delegation of the Indonesian Republican Government was actually at Batavia for negotiations with the Dutch authorities on the implementation of Linggadjati Agreement.

In the opinion of the Government of India this situation endangers the maintenance of international peace and security which is covered by Article 34 of the Charter. The Government of India therefore requests the Security Council to take the necessary measures provided by the Charter to put an end to the present situation.

The Government of India earnestly hope that in view of its urgency the Council will consider this matter as soon as possible.

Jawaharlal Nehru ¹³
Member for External Affairs
Government of India"

I am, Sir, Your obedient Servant,
(S. SEN)

*Permanent Liaison Officer of the Government of India
with the United Nations*

Letter From the Acting Representative of Australia on the Security Council to the Secretary-General ¹⁴

30 July 1947

SIR, I have the honour to advise that I have today addressed the following communication to the President of the Security Council.

"Under instructions from my Government, I have the honour to bring to the attention of the Security Council the hostilities which are at present in progress in Java and Sumatra between armed forces of the Netherlands and of the Republic of Indonesia, and which have been the subject of communiques by their respective Army commanders during the past ten days.

"The Australian Government considers that these hostilities constitute a breach of the peace under Article

39 and urges that the Council take immediate action to restore International Peace and Security.

"In order to prevent an aggravation of the situation the Australian Government proposes that the Security Council, as a provisional measure, and without prejudice to the rights, claims, or position of the parties concerned, should call upon the Governments of the Netherlands and of the Republic of Indonesia to cease hostilities forthwith and to commence arbitration in accordance with Article 17 of the Linggadjati Agreement between the Netherlands and the Government of the Republic of Indonesia signed at Batavia on 25th March 1947. (See letter from the representative of the Netherlands to the United Nations addressed to the Secretary-General, dated 26 March, 1947, Document S/311).

"In view of the urgent circumstances I am instructed to request you to call immediately a meeting of the Security Council for the consideration of this communication and that the Provisional Agenda, including this item, be communicated to the representatives on the Security Council simultaneously with the notice of the meeting."

I would be grateful if you could immediately bring this communication to the attention of all representatives on the Security Council.

I have the honour to be, Sir, Your obedient Servant,

W. R. HODGSON,
Minister

Telegram to the Secretary-General From the Permanent Representative of the Philippines to the United Nations ¹⁵

NEW YORK, 1 August 1947

THE SECRETARY-GENERAL:

I have been instructed by my Government to transmit its stand in favor of the intervention of the Security Council to halt the armed conflict between the Netherlands Government and the Government of the Republic of Indonesia. It is urged therefore that the Security Council take such steps as may be necessary to bring about the immediate cessation of hostilities and, without passing judgment on the responsibility on either party for such hostilities, to prevail upon them to submit the controversy to arbitration as provided in Article Seventeen of the Cheribon Agreement.

¹² U.N. doc. S/447, July 30, 1947.

¹³ Jawaharlal Nehru.

¹⁴ U.N. doc. S/449, July 30, 1947.

¹⁵ U.N. doc. S/458, Aug. 1, 1947.

The Philippine Government has been moved to take this step because it is vitally interested in the maintenance of peace in that area and because of its humanitarian desire to prevent further bloodshed. Accordingly my Government wishes to express its desire to participate in the discussion of this matter before the Security Council because it considers itself specially affected by any disturbance of peace in that part of the Pacific.

I wish furthermore to communicate to you the availability of my Government to participate in any action that may lead to the settlement of the dispute by arbitration.

With renewed assurances of my highest esteem and consideration.

CARLOS P. ROMULO
*Permanent Representative of the Philippines
to the United Nations*

**Letter to the President of the Security Council
From the Permanent Representative of the
Netherlands to the United Nations**¹⁶

No. 654

30 July 1947

SIR, It has come to my knowledge a few hours ago that the Governments of India and Australia have requested

to put the question of Indonesia on the agenda of the Security Council and that this matter may be dealt with in its meeting of tomorrow 31st July 1947. It goes without saying that—should the Council decide to grant these requests—the interests of the Netherlands would be specially affected.

In case the Security Council should decide to open the discussion on the substance of this matter, I feel that it is my duty to request that this discussion be not begun until my Government has had an opportunity to appoint a representative to take part therein, if the Security Council, as I anticipate, invites the Netherlands to participate in the discussion.

I may add that I presume that the Acting Secretary-General will inform the Netherlands Government if and when the matter will be taken up by the Council, and that in that case a reasonable period of time will be accorded to my Government to send a representative, whom I feel sure my Government would lose no time in appointing.

I would appreciate it very much if you would be so kind as to communicate the contents of this letter to the Members of the Security Council.

I have the honour to be, Sir, Your obedient Servant,

J. W. M. SNOUCK HURONJEE

SECURITY COUNCIL RESOLUTION ON THE INDONESIAN QUESTION¹⁷

The Security Council

NOTING with concern the hostilities in progress between the armed forces of the Netherlands and the Republic of Indonesia,

Calls upon the parties

- (a) to cease hostilities forthwith, and
- (b) to settle their disputes by arbitration or by other peaceful means and keep the Security Council informed about the progress of the settlement.

**REPLIES OF THE NETHERLANDS AND THE REPUBLIC OF INDONESIA
TO THE SECURITY COUNCIL RESOLUTION**

**Letter to the President of the Security Council From
the Netherlands Ambassador to the United States**¹⁸

NETHERLANDS EMBASSY
WASHINGTON, D. C.

August 3, 1947.

SIR, I have the honour to confirm my telegram to Your Excellency of this day, reading as follows:

In a letter dated August 1, 1947, Your Excellency was so good as to communicate to me the text of the resolution adopted that day by the Security Council in respect of conditions in Java and Sumatra. I lost no time in conveying that text by telegraph to the Netherlands Government.

I have now received instructions to inform Your Excellency as follows:

The Netherlands Government, although persisting its denial of the Council's jurisdiction in this matter, fully understands the Council's desire to see the use of arms come to an end in this as in other cases. Moreover the Netherlands Government welcomes the Council's resolution in this sense that it justifies the hope that, under the

pressure of world opinion, the Government of the Republic of Indonesia will now be found disposed to carry out what so far it has failed to do in spite of constant and urgent requests and representations on the part of the Netherlands Government and notwithstanding corresponding friendly advice on the part of other powers.

In taking police action the Netherlands Government has had, from the outset, strictly limited objectives in view; reference may be made in this connection to the communication made on its behalf to the Secretary-General of the United Nations on July 21 in which the limited nature was pointed out of the action aiming at the cessation of a situation whose continuation could no longer be countenanced in the interest of the people.

Having taken into serious consideration the views which led the Security Council to address an appeal to both parties, the Netherlands Government has instructed the Lieutenant-Governor-General of the Netherlands Indies to enter into contact with the authorities of the Republic in order to arrive at the cessation on both sides of hostile action of any kind.

The Netherlands Government confidently anticipates that the good offices offered by the Government of the United States of America and gladly accepted by the Netherlands Government, will contribute greatly toward attaining the result aimed at in the resolution of the Security Council.

Please accept [etc.]

E. N. VAN KLEFFENS

Department of State Bulletin

¹⁶ U.N. doc. S/450, July 31, 1947.

¹⁷ U.N. doc. S/459, Aug. 1, 1947.

¹⁸ U.N. doc. S/466, Aug. 4, 1947.

Letter to the President of the Security Council From the Permanent Representative of the Netherlands to the United Nations¹⁹

NETHERLANDS DELEGATION TO THE UNITED NATIONS

No. 678

August 4th, 1947

Sir, With reference to the letter which Mr. E. N. van Kleffens addressed to Your Excellency concerning the decision taken by the Netherlands Government upon receipt of the text of the Resolution adopted by the Security Council on August 1, 1947, in respect of conditions in Java and Sumatra, I have the honour to inform you that the Lieutenant-Governor-General of the Netherlands East Indies, in pursuance of the above-mentioned decision, has issued orders to the Netherlands Forces in the areas concerned to cease hostilities at midnight 4-5 August 1947, which time corresponds with 1 p. m. today, August 4, 1947, Eastern Daylight Saving Time.

I have the honour to be Sir, Your obedient Servant,
J. W. M. SNOUCK HURGRONJE

Reply From the Vice-Premier of the Republic of Indonesia²⁰

BATAVIA, JAVA, 4 August 1947

PRESIDENT OF THE SECURITY COUNCIL

Cable of Security Council to the Prime Minister of the Republic of Indonesia, Amir Sjarifuddin, dated August 1st, 1947, was received in Djakarta (Batavia,) August second at twenty hours. The mentioned cable was handed by Dr. Vanmook, Dutch Lieutenant-General to me, August 3rd, at 1930 hours whilst I was detained by the Dutch from July 20th until August 3rd, at 1400 hours.

Because I declined to take responsibility for the delay in forwarding this cable and moreover, because in Jacarta, all Republican means of communication and transport including all transmitters, have been confiscated by the Dutch, and all officials prevented to carry out their functions in short, because of the *de facto* authority of the Republic having been abolished altogether resulting in complete disruption of Republican communication between Djakarta and Djocjakarta, said cable has been broadcast directly by the Dutch to Djocjakarta, August 4th at 0030 hours.

DR. A. K. GANI
Vice Premier, Republic of Indonesia

Cablegram From the Vice-Premier of the Republic of Indonesia²⁰

PRESIDENT OF SECURITY COUNCIL

Official communication of the Prime Minister of the Government of the Republic of Indonesia directed to the President of the Security Council of United Nations Organization concerning the appeal to cease hostilities in Indonesia:

(1) The Government of the Republic of Indonesia, to meet the decision taken by the Security Council on August 1, 1947, and in their earnest desire to restore peace in Indonesia, has decided to order cessation of hostilities to all Republican armed forces on Monday night 2400 hours Indonesian Standard Time.

(2) The Government of the Republic of Indonesia request the attention of the Security Council that aforementioned decision was handed to Republican Government through the Dutch Government in Djakarta only on August 4, 1947, at 0100 hours Indonesian Standard Time. In view of the earliest possible measures to be taken in order to realise the order of cessation of hostilities effectively, the Government of the Republic of Indonesia painfully regret the transfer of the decision of the Security Council being delayed by the Dutch authorities in Djakarta.

(3) In executing the order of the cessation of hostilities, the Government of the Republic of Indonesia request the fullest consideration of the Security Council for some serious technical difficulties to be overcome such as the shortage of time and heavy damage caused by Dutch acts of aggression to Republican communication lines.

(4) In addition, it should be considered, that unlike the military situation on October 14, 1946, when for the first time a cease-fire order was issued by both sides and witnessed by a third party, at the present moment no definite line of demarcation, clearly separating the Republic from the Dutch forces can be traced. Due to the system of a people's defence being followed by the Republican National Army, the fighting has not been restricted to definite frontlines. On the contrary, in many towns and areas which the Dutch military command claimed to have been occupied Republican forces up till now still have maintained its positions.

(5) The Government of the Republic of Indonesia wish to express their grave concern that, as the experience gained during the past two years have learned, unless the execution of the cessation of hostilities be fully and continuously controlled by a third neutral party, there is no guarantee that a cease-fire order will not be violated by Dutch forces onesidedly. Therefore the Republican Government strongly urge the sending of a Committee consisting of the representatives of several countries and appointed by the Security Council to Indonesia at earliest possible time in order to secure the effective and smooth implementation of cessation of hostilities.

(6) The Government of the Republic of Indonesia wish to emphasise that a Dutch order to cease hostilities should imperatively imply the cessation of all kinds of actions, by Dutch military and civil authorities directed against the Indonesian population.

(7) Finally, the Republican Government are of the opinion that cessation of hostilities should be followed by withdrawal of the Dutch armed forces from Republican territory at least behind the demarkation lines fixed by both sides on October 14, 1946.

DR. A. K. GANI
Vice-Premier Republic of Indonesia
JACARTA, 5th August 1947

ADDITIONAL SECURITY COUNCIL RESOLUTIONS

A. Resolutions Adopted at the 194th Meeting Held on 25 August 1947²²

I. WHEREAS the Security Council on 1 August 1947, called upon the Netherlands and the Republic of Indonesia to cease hostilities forthwith,

AND WHEREAS communications have been received from the Governments of the Netherlands and of the Republic of Indonesia advising that orders have been given for the cessation of hostilities,

AND WHEREAS it is desirable that steps should be taken to avoid disputes and friction relating to the observance of the "cease fire" orders, and to create conditions which will facilitate agreement between the parties.

¹⁹ U.N. doc. S/466, Aug. 4, 1947.

²⁰ U.N. doc. S/465, Aug. 4, 1947.

²¹ U.N. doc. S/469, Aug. 6, 1947.

²² U.N. doc. S/525, Aug. 26, 1947.

The Security Council

1. notes with satisfaction the steps taken by the parties to comply with the resolution of 1 August 1947,

2. notes with satisfaction the statement by the Netherlands Government issued on 11 August, in which it affirms its intention to organize a sovereign, democratic United States of Indonesia in accordance with the purpose of the Linggadjati Agreement,

3. notes that the Netherlands Government intends immediately to request the career consuls stationed in Batavia jointly to report on the present situation in the Republic of Indonesia,

4. notes that the Government of the Republic of Indonesia has requested appointment by the Security Council of a commission of observers,

5. requests the Governments members of the Council who have career consular representatives in Batavia to instruct them to prepare jointly for the information and guidance of the Security Council reports on the situation in the Republic of Indonesia following the Resolution of the Council of 1 August 1947, such reports to cover the observance of the "cease fire" orders and the conditions prevailing in areas under military occupation or from which armed forces now in occupation may be withdrawn by agreement between the parties,

6. requests the Governments of the Netherlands and the Republic of Indonesia to grant to the representatives referred to in paragraph 5, all facilities necessary for the effective fulfilment of their mission,

7. resolves to consider the matter further should the situation require.

II. The Security Council

RESOLVES to tender its good offices of the parties in order to assist in the pacific settlement of their dispute in accordance with paragraph (B) of the Resolution of the Council of 1 August 1947. The Council expresses its readiness, if the parties so request, to assist in the settlement through a committee of the Council consisting of three members of the Council, each party selecting one, and the third to be designated by the two so selected.²³

B. Resolution Adopted at the 195th Meeting Held on 26 August 1947

III. The Security Council

TAKING into consideration that military operations are

being continued on the territory of the Indonesian Republic:

1. reminds the Government of the Netherlands and the Government of the Indonesian Republic of its resolution of 1 August 1947, concerning the "cease fire order" and peaceful settlement of their dispute;

2. calls upon the Government of the Netherlands and the Government of the Indonesian Republic to adhere strictly to the recommendation of the Security Council of 1 August 1947.

C. Resolution Adopted at the 219th Meeting Held on 1 November 1947²⁴

The Security Council,

HAVING received and taken note of the Report of the Consular Commission dated 14 October 1947, indicating that the Council's resolution of 1 August 1947, relating to the cessation of hostilities has not been fully effective;

HAVING taken note that according to the Report no attempt was made by either side to come to an agreement with the other about the means of giving effect to that resolution;

Calls upon the parties concerned forthwith to consult with each other, either directly or through the Committee of Good Offices as to the means to be employed in order to give effect to the cease-fire resolution, and, pending agreement, to cease any activities or incitement to activities which contravene that resolution, and to take appropriate measures for safeguarding life and property;

Requests the Committee of Good Offices to assist the parties in reaching agreement on an arrangement which will ensure the observance of the cease-fire resolution;

Requests the Consular Commission, together with its military assistants, to make its services available to the Committee of Good Offices;

Advises the parties concerned, the Committee of Good Offices, and the Consular Commission that its resolution of 1 August should be interpreted as meaning that the use of the armed forces of either party by hostile action to extend its control over territory not occupied by it on 4 August 1947, is inconsistent with the Council resolution of 1 August.

Should it appear that some withdrawals of armed forces be necessary, invites the parties to conclude between them as soon as possible the agreements referred to in its resolution of 25 August 1947.

CHRISTMAS DRAFT MESSAGE ADDRESSED INFORMALLY TO THE PARTIES BY THE COMMITTEE ON 26 DECEMBER²⁵

The four resolutions of the Security Council which directly concern the work of the Committee of Good Offices on the Indonesian Question are those of 1, 25, and 26 August and 1 November 1947.

The Committee of Good Offices started its work with a first unofficial meeting in New York on 8 October. It has been at work in Indonesia since 27 October. Today, 24 December, on the eve of Christmas, the symbol of peace on earth, no concrete solution has been given by the parties either to the overall problems, or to the immediate problems of effecting a cease-fire.

²³ Part II of this document was introduced as a U. S. draft resolution and issued as U.N. doc. S/514 of Aug. 22, 1947.

²⁴ U.N. doc. S/597, Nov. 3, 1947. This resolution was submitted by the United States and amended by the subcommittee appointed by the Security Council at its 217th meeting on Oct. 31, 1947.

²⁵ U.N. doc. S/649, Feb. 10, 1948, p. 70.

The Committee of Good Offices think its duty is to call again, in a most emphatic way, the attention of the parties to the following points:

1. The mission, the responsibilities, and the possibilities of this Committee are restricted within the limits of "good offices". The main responsibility—the primary and the final responsibility—is and must remain with the parties concerned. That responsibility covers the decisions which the parties think fit to make, but it covers equally, the lack of decisions, which should have been made, as well as excessive delays in applying the recommendations of the Security Council. Such responsibilities should not and cannot be shifted to the Committee of Good Offices.

This Committee is conscious of having done everything that could be done so far to break the deadlock; to bring the parties together; to offer them definite and constructive suggestions at their first request; and to have used every opportunity to help, induce and advise the parties on the basis of strict impartiality.

2. Under such circumstances, faced by the disappointing

delay in arriving at an agreement, the Committee wishes to remind the parties, in a solemn way, of the paramount importance for them, for the world, and for the ideals of the United Nations, of a prompt and generous implementation of the resolutions of the Security Council on the Indonesian question.

The Committee must in good faith warn the parties that a longer delay, however supported by different or divergent argumentation, would certainly be against the spirit of the resolutions, and in particular of the resolution of 1 November.

The Committee now invites the parties again to reconsider, immediately, the whole problem with greater realism, with reciprocal toleration, and with renewed emphasis on all the human aspects of the dispute.

3. In this spirit, and in consideration of the information and many statements at its disposal, the Committee is transmitting herewith, as Annex I, supplementary suggestions for an immediate truce. It recommends to the parties that they:

(a) Sign immediately and implement forthwith the several measures contained in the documents herewith transmitted, together with those at present before the Special Committees.

At this point, the Committee reminds the parties of the text of the third paragraph of the resolution of 1 November, which, after the passage concerning the implementation of a truce, reads as follows: "and pending agreement to cease any activities or incitement to activities which contravene that resolution and to take appropriate measures for safeguarding life and property".

To this end, the Committee suggests that precise orders be issued or confirmed by the competent authorities of both parties. It further suggests that all methods for the dissemination of such orders be utilized, including radio broadcasts.

(b) Immediately following the issuance of the foregoing instructions, conclude a truce agreement which will implement the following part of the third paragraph of the resolution of 1 November, which "calls upon the parties concerned forthwith to consult with each other directly or through the Committee of Good Offices as to the means to be employed in order to give effect to the cease-fire resolution." The Committee suggests that the parties accept, without delay, the proposals previously submitted by the Committee to the parties, at their request, together with the proposals transmitted herewith as Annex I. All documents submitted by the parties to the representatives of the Committee of Good Offices with the Special Committees, either spontaneously or in implementation of the truce plan, should be considered again, in order firstly, to take stock of all points on which an agreement has been obtained or is within reach, and secondly, to limit and define the points on which a compromise between still conflicting views should be looked for. As part of this agreement, both parties should fully inform their soldiers still in the territory actually under the authority of the other of the practical measures devised to effec-

tuate their transport, with arms and equipment, to the territory of their own party. They should be instructed to comply immediately. The co-operation of the Committee's military assistants is hereby offered to help insure a safe and smooth execution of these movements.

The Committee believes that both of the foregoing agreements should be an accomplished fact before the end of this month and should not wait on the settlement of the political issues. Yet let the Committee make it clear that in its opinion the several suggestions made in all three parts of this statement, including Annexes I and II, constitute one integrated, balanced whole which the Committee considers essential to the lasting settlement of the dispute.

4. The Committee is confident that following the truce, there will be a marked improvement in the atmosphere in which the substantive discussions are to be held.

Here again, the Committee will call upon the parties, with renewed confidence, to approach the political negotiations in a spirit of deeper understanding, co-operation, and realism.

The Committee will suggest that each party state in a new memorandum, and in the most moderate terms, its views concerning the practical steps to be taken in the very near future, to insure a lasting settlement of the political dispute.

Both parties have repeatedly stated that they still hold to the principles underlying Linggadjati. According to the statements and explanations the Committee has received from both parties, the Committee believes that the principles of this Agreement may be summarized as follows:

- (a) Independence of the Indonesian peoples;
- (b) Co-operation between the peoples of the Netherlands and Indonesia;
- (c) A sovereign State on a federal basis, under a constitution which will be arrived at by democratic processes;
- (d) A union between the United States of Indonesia and other parts of the Kingdom of the Netherlands under the Crown.

What the Committee thinks desirable is a concrete elaboration of those principles, conceived and drafted by each of the parties, with the care and the hope to meet half-way the known or putative views of the other.

The Committee puts itself once more at the disposal of the parties in the belief that its intervention can help bring their points of view closer and more quickly together. The Committee is transmitting herewith, as Annex II, supplementary suggestions regarding a programme based upon principles which it believes essential to the attainment of a just and lasting settlement.

As the Committee has already stated, the time has come for it to send a report to the Security Council on the progress of the developments of the Indonesian question. It fervently hopes that the answer of the parties to this communication will provide a favourable conclusion for that report.

STATEMENT TO THE SECURITY COUNCIL BY THE U.S. REPRESENTATIVE ON THE GOOD OFFICES COMMITTEE ON INDONESIA ²⁶

We were always aware of the wisdom in the statements of both the former Prime Minister of the Republic and the Netherlands Ambassador to the United States that there would be reciprocal relations between progress in the effectuation of the truce and progress in the settlement of the political dispute. Accordingly, on Christmas Day, our Committee unanimously adopted a draft plan—on an informal basis—including truce proposals and democratic political principles which were submitted in-

formally to the parties as an integrated and balanced whole. The Republic, though expressing disappointment in what it considered a rigid truce plan, with a *status quo* line which for a time would continue to include behind

²⁶ Made on Feb. 17, 1948, and released to the press by the U.S. Mission to the United Nations on the same date. This is a partial text. The U.S. Representative is Frank P. Graham.

Dutch lines former Republican areas containing millions of people, accepted the plan as a whole for its political principles of freedom and democracy, independence and union. The Netherlands, holding the Christmas message on its continuing informal basis, as counter proposals, accepted most of the suggestions, rejected parts, and accepted other parts with modifications. The Netherlands then made these proposals formal with indications that if not accepted by the Republic, it would not be bound by the twelve political principles. These twelve principles provided, among other things, for the continuance of the assistance of the Committee of Good Offices in the working out of the settlement of the political dispute in Java, Sumatra and Madura; for civil and political liberties; that there would be no interference with the expression of popular movements, looking toward the formation of states in accordance with the principles of the Lingga-djati agreement; that changes in the administration of territory would be made only with the full and free consent of the population of the territory at a time of security and freedom from coercion; that, on the signing of the political agreement, there would be gradual reduction of the armed forces of both parties; that, on the signing of the truce agreement, there would be resumption of trade, transportation and communication through the cooperation of the parties; that there would be a period of not less than six months nor more than one year after the signing of the agreement during which uncoerced and free discussion of vital issues should proceed and that at the end of such period free elections would be held for self-determination by the people of their political relations to the United States of Indonesia; provision for the convening of a Constitutional Convention by democratic procedure; provision for serious consideration by one party of the request of the other party for an agency of the United Nations to observe conditions between the signing of the agreement and the transfer of sovereignty from the Netherlands to the United States of Indonesia; provisions for the independence of the Indonesian people and cooperation between the peoples of the Netherlands and Indonesia; provision for a sovereign nation on a federal basis under a constitution to be arrived at by democratic procedures; and provision for the Union of the United States of Indonesia and the other parts of the Kingdom of the Netherlands under the King of the Netherlands.

While deeply appreciative of the fact that the twelve political principles contained many basic provisions for freedom, democracy, independence and cooperation, the Republic was most deeply concerned that there was no guarantee of international observation between the signing of the agreement and the transfer of sovereignty; that there was no provision for the representation of the Republic in the interim government, and that there was no mention of the Republic by name in any of the twelve principles.

Aware of the limitations inherent in a Committee of Good Offices, and in the desperate circumstances of the probable breakdown of negotiations, the Committee decided to make still another new approach to the parties. The Committee suggested for the informal consideration of the parties six additional political principles in addition to the twelve. Pending consideration of the six principles by both parties, the Republic was pondering the acceptance or rejection of the status quo military line and the democratic political principles in which were missing several guarantees of deep concern to the Republic. It soon appeared that the content of the six additional principles, if accepted by the Netherlands, would be decisive as to acceptance by the Republic of the combined plans as, in effect—though not formally—an integrated and balanced whole.

In the six principles were the three things of deep concern to the Republic; specific references to the Repub-

lic of Indonesia by name as one of the States in the United States of Indonesia, fair representation of all states in the interim government, and, if either party requested, the guarantee of international observation in the period between the signing of the political agreement and the transfer of the recognized historical sovereignty of the Netherlands to the United States of Indonesia. In addition were two new political principles. One of these provisions was that not sooner than six months and not later than one year after the signing of the agreement, plebiscites would be held under international observation for the self-determination of the people of the various territories of Java, Sumatra and Madura as to whether they would form a part of the Republic of Indonesia or another State of the United States of Indonesia. The other basically democratic provision was that the representation in the Constitutional Convention would be in proportion to population which should mean that the new United States of Indonesia would not only be free and independent but would also be democratic in structure, leadership, function and services of, for and by the people of Indonesia.

To accept would transfer the struggle from a military demarcation line, which would soon disappear, to a democratic political line which would endure. The underground struggle of bitterness and hatred, killings and destruction, would be brought above ground for good will, production, the possible conversion of military budgets for long range constructive programs of education, health, and welfare of all the people of Indonesia. Acceptance would mean the cooperation of the Netherlands, the Republicans and the non-Republicans in the formation of the sovereign, free and independent United States of Indonesia in the union of equal nations in the United Nations.

In consideration of these things, the Netherlands and the Republic accepted unconditionally the truce, the twelve principles and the six. Members of the Committee expressed their personal faith to the representatives of the Netherlands that the Republic would, with increasing effectiveness, keep the truce in good faith and good will, and furthermore, that a considerable proportion of the able and dedicated Indonesian leaders were in the Republic. They also expressed to representatives of the Republic their personal faith that the sovereignty of the Netherlands in the interim period would not be used to fix in the new clothes of freedom the old body of colonialism, but rather that the Netherlands would act in good faith, and that the Republic would not lose its existing status as one of the two parties in the Indonesian question on the agenda of the Security Council of the United Nations, and that the Security Council through the Committee of Good Offices would be available to assist the parties to the present agreement in reaching an early long-term settlement. Members of the Committee advised both parties to subordinate all claims and issues which would soon disappear or be absorbed in the permanent settlement to the three main objectives of keeping the truce, restoring economic production and trade through mutual cooperation, and, not the least important of all, the negotiation of the political settlement.

The many and complex difficulties of the truce, the need for sincere and patient care and follow through, the high stakes of mutual cooperation in keeping the truce, all these challenged the leaders, the armies and the people to do their persistent best, with good faith and good will, and to send the word everywhere that peace has come and that it is now the patriot's duty to keep the peace and make secure the life and property of all people. The whole world is looking on to encourage and sustain the leaders, who carry by day and by night this heavy responsibility for themselves and the people whom they now lead as hopefully in peace as they formerly led bravely in battle.

**STATEMENT TO THE SECURITY COUNCIL BY U.S. REPRESENTATIVE
IN THE SECURITY COUNCIL ²⁷**

Two things stand out in the Indonesian situation. First, the truce has been signed for the cessation of hostilities and is being kept with the saving of human lives and property. Second, fundamental principles of freedom, democracy, independence, and cooperation have been agreed upon for the early formation of the independent United States of Indonesia in the Union with the Netherlands, both to be free and equal nations in the United Nations.

The two parties to this truce are pledged to stop the killing and the destruction. This contract must be kept. I wish to join the Committee of Good Offices in their faith that this truce will be kept with good faith and good will by both Governments.

The two parties to the agreement are pledged to fulfill the twelve political principles and the six other principles in addition to or in amplification of the twelve. This contract must be kept. I wish to join the Committee of Good Offices in their faith that these principles will be fulfilled by both Governments with good faith and good will.

These political principles are a part of the great tradition of freedom and democracy. Their meaning is known of men. The guarantees of freedom of assembly, speech and the press are unequivocal. A fair plebiscite means a free ballot on a clear issue by the individual in security from coercion or reprisal. The opportunity for advance discussion of the clear issue should be free, full and open to the parties involved. With such other provisions for safeguarding plebiscites, which experience has established for equal participation of the parties and equal guarantee of their political and civil liberties, there can be free and fair self-determination by the people as to whether the population of the various territories of Java, Madura, and Sumatra wish their territory to form part of the Republic of Indonesia or of another state within the United States of Indonesia. These decisions will be based on free ballots and not the force of arms in accordance with the purposes and principles of the United Nations. On the request of either party, the observation of the plebiscite by the Committee of Good Offices is assured by the Agreement between the parties.

In the organization of the constitutional convention by democratic procedure to draft a constitution for the United States of Indonesia representation of the various states in the convention will be in proportion to their populations.

Other provisions in the Renville agreement provide for the gradual reduction of the armies of both parties; the resumption of trade, transportation and communication through cooperation of the parties; fair representation of the Republic in the interim government; and, upon the request of either party, the continuation of the services of the Good Offices Committee in assisting the continuation of the parties to adjust differences which may arise in the interim period relating to the political agreement. All these provisions constitute the foundation for the freedom, independence, and cooperation of the people of the Netherlands and the people of Indonesia.

In a most difficult situation which has seemed almost impossible of solution for so long, the Committee of Good

Offices, instead of bringing to us a continuing dispute on the location of a military demarcation line without any agreement on political principles, has brought us both a truce of peace and an agreement on political principles. Members of the Council have already been deeply impressed by the greatness of these principles which became the basis of the truce and under which the military demarcation lines will disappear and the independent, sovereign and democratic United States of Indonesia will take its free and equal place among the Nations of the world.

These principles illustrate the long run value of the basic and historic truth inherent in the statement of the Queen of the Netherlands quoted by Dr. Van Kleffens at our last meeting. Nations which offer their colonies the opportunity to become free and independent Nations will save them for voluntary cooperation, to the mutual benefit of all, in lifting the levels of production, and standards of living, and their opportunities for influence and service in the world.

The great democratic principles in the agreement are in accord with the Charter and the principles of the United Nations. These principles are the heritage of the free peoples of the earth. Many millions of people have died to win them. Two World Wars were fought to save them. The people of the Netherlands and the people of the Republic of Indonesia, and, I trust, all the people of Indonesia will share them as their common heritage.

The Indonesian nationalist movement of half a century, the aspirations for freedom of seventy million Indonesians, the struggles of the people of the Republic of Indonesia, the noble declarations of the Queen and the wise commitments of the Ministers of the Netherlands, are, we are sure, soon to be fulfilled in the transfer of the historic and acknowledged sovereignty of The Netherlands to a free and independent United States of Indonesia as an equal Nation in the new Union of Nations and as an equal Nation in the United Nations. Those of little faith would deny the good faith of the parties and, therefore, doubt the great fulfillment.

We wish to say for the good name of both parties before the world that it is inconceivable to them, that it is inconceivable to the three Member Nations which make up the Committee of Good Offices, and it is inconceivable to this Security Council of the United Nations that either the Kingdom of the Netherlands or the Republic of Indonesia or any representative of either Government would see directly or indirectly to delay or to wear down by attrition or to renounce on a mere pretext or otherwise undermine either the truce or the great principles of human freedom, national independence and mutual cooperation which are now joined in an historic agreement as the latest chapter in the history of the self determination of peoples.

The cooperation of the people of the Netherlands and the people of Indonesia may signal to peoples everywhere on this troubled earth that mankind is again on the upward climb toward a better day.

²⁷ Made on Feb. 20, 1948, and released to the press by the U.S. Mission to the United Nations on the same date. This is a partial text. The U.S. Representative is Warren R. Austin.

TRUCE AGREEMENT BETWEEN THE GOVERNMENTS OF THE KINGDOM OF THE NETHERLANDS AND OF THE REPUBLIC OF INDONESIA ²⁸

The Government of the Kingdom of the Netherlands and the Government of the Republic of Indonesia, referred to in this agreement as the parties, hereby agree as follows:

1. That a stand fast and cease fire order be issued separately and simultaneously by both parties immediately upon the signing of this agreement and to be fully effective within forty-eight hours. This order will apply to the troops of both parties along the boundary lines of the areas described in the proclamation of the Netherlands Indies Government on 29 August 1947, which shall be called the *status quo* line, and in the areas specified in the following paragraph.

2. That in the first instance and for the time being, demilitarized zones be established in general conformity with the above-mentioned *status quo* line; these zones as a rule will comprise the territories between this *status quo* line and, on one side, the line of the Netherlands forward positions and, on the other side, the line of the Republican forward positions, the average width of each of the zones being approximately the same.

3. That the establishment of the demilitarized zones in no way prejudices the rights, claims or position of the parties under the resolutions of the Security Council of 1, 25, and 26 August and 1 November 1947.

4. That upon acceptance of the foregoing by both parties, the Committee will place at the disposal of both parties its military assistants who will be instructed to assume, in the first instance, responsibility for determining whether any incident requires enquiry by the higher authorities of either or both parties.

5. That, pending a political settlement, the responsibility for the maintenance of law and order and of security of life and property in the demilitarized zones will remain vested in the civil police forces of the respective parties. (The term civil police does not exclude the temporary use of military personnel in the capacity of civil police, it being understood that the police forces will be under civil control.) The Committee's military assistants will be available to advise the appropriate authorities of the parties and to serve in such other proper capacities as may be requested. Among other, they should:

(a) call upon pools of police officers established by each party in its demilitarized zone to accompany the military assistants in their endeavours and moves throughout that demilitarized zone. Police officers of one party will not move into and throughout the demilitarized zone of the other party unless accompanied by a military assistant of the Committee of Good Offices and a police officer of that other party.

(b) promote co-operation between the two police forces.

6. That trade and intercourse between all areas should be permitted as far as possible; such restrictions as may be necessary will be agreed upon by the parties with the assistance of the Committee and its representatives if required.

7. That this agreement shall include all the following points already agreed to in principle by the parties:

(a) To prohibit sabotage, intimidation and reprisals and other activities of a similar nature against individuals, groups of individuals, and property, including de-

struction of property of any kind and by whomsoever owned, and to utilize every means at their command to this end.

(b) To refrain from broadcasts or any other form of propaganda aimed at provoking or disturbing troops and civilians.

(c) To initiate broadcasts and institute other measures to inform all troops and civilians of the delicate situation and the necessity for strict compliance with the provisions sub (a) and (b).

(d) Full opportunity for observation by military and civil assistants made available to the Committee of Good Offices.

(e) To cease immediately the publication of a daily operational communique or any other information about military operations unless by prior mutual agreement in writing, except weekly publication of lists of individuals (giving names, numbers and home addresses) who have been killed or have died as a result of injuries received in action.

(f) To accept the principle of the release of prisoners by each party and to commence discussions with a view to the most rapid and convenient implementation thereof, the release in principle to be without regard to the number of prisoners held by either party.

8. That, on the acceptance of the foregoing, the Committee's military assistants will immediately conduct enquiries to establish whether and where, especially in West Java, elements of the Republican military forces continue to offer resistance behind the present forward positions of the Netherlands forces. If the enquiry establishes the existence of such forces, these would withdraw as quickly as practicable, and in any case within twenty-one days, as set out in the following paragraph.

9. That all forces of each party in any area accepted as a demilitarized zone or in any area on the other party's side of a demilitarized zone, will, under the observation of military assistants of the Committee and with arms and warlike equipment, move peacefully to the territory on the party's own side of the demilitarized zones. Both parties undertake to facilitate a speedy and peaceful evacuation of the forces concerned.

10. This agreement shall be considered binding unless one party notifies the Committee of Good Offices and the other party that it considers the truce regulations are not being observed by the other party and that this agreement should therefore be terminated.

For the Government of the Kingdom of the Netherlands
RADEN ABDULKADIR WIDJOJATMODJO,
Chairman of the delegation

For the Government of the Republic of Indonesia
DR. AMIR SJARIFUDDIN,
Chairman of the delegation

The signatures appearing above were hereunto subscribed this 17th day of January 1948, on board the U.S.S. *Renville*, in the presence of the representatives on the United Nations Security Council Committee of Good Offices on the Indonesian question, and the Committee Secretary, whose signatures are hereunto subscribed as witnesses:

Chairman: MR. JUSTICE RICHARD C. KIRBY (Australia)

Representatives: MR. PAUL VAN ZEELAND (Belgium)
DR. FRANK P. GRAHAM (United States)

Secretary: MR. T. G. NARAYANAN

²⁸ U.N. doc. S/649, Feb. 10, 1948. The agreement was signed at the 4th meeting of the Committee of Good Offices with the parties on Jan. 17, 1948.

Annex

Clarification of the Agreement

1. As regards paragraph 1 of the foregoing agreement, it is understood that the two parties will endeavor to implement the various points of the truce agreement without any delay and with all means at their disposal; it is equally understood that, should one of the parties meet with special difficulties in carrying out fully within a few days any obligation imposed upon it by the truce agreement, upon notification to the other party the time limit of forty-eight (48) hours provided in the first article of the proposals will be extended up to a maximum of twelve (12) days.

2. As regards paragraph 2 of the foregoing agreement, it is understood that if, as expected, the truce agreement

PRINCIPLES FORMING AN AGREED BASIS FOR THE POLITICAL DISCUSSIONS ²⁹

The Committee of Good Offices has been informed by the delegation of the Kingdom of the Netherlands and by the delegation of the Republic of Indonesia that, the truce agreement having been signed, their Governments accept the following principles on which the political discussions will be based:

1. That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra and Madura, based upon the principles underlying the Linggadjati Agreement.

2. It is understood that neither party has the right to prevent the free expression of popular movements looking toward political organizations which are in accord with the principles of the Linggadjati Agreement. It is further understood that each party will guarantee the freedom of assembly, speech and publication at all times provided that his guarantee is not construed so as to include the advocacy of violence or reprisals.

3. It is understood that decisions concerning changes in administration of territory should be made only with the full and free consent of the populations of those territories and at a time when the security and freedom from coercion of such populations will have been ensured.

4. That on the signing of the political agreement provision be made for the gradual reduction of the armed forces of both parties.

5. That as soon as practicable after the signing of the truce agreement, economic activity, trade, transportation and communications be restored through the co-operation of both parties, taking into consideration the interests of all the constituent parts of Indonesia.

6. That provision be made for a suitable period of not less than six months nor more than one year after the signing of the agreement, during which time uncoerced and free discussion and consideration of vital issues will proceed. At the end of this period, free elections will be held for self-determination by the people of their political relationship to the United States of Indonesia.

7. That a constitutional convention be chosen according

to democratic procedure to draft a constitution for the United States of Indonesia.

8. It is understood that if, after signing the agreement referred to in item 1, either party should ask the United Nations to provide an agency to observe conditions at any time up to the point at which sovereignty is transferred from the Government of the Netherlands to the Government of the United States of Indonesia, the other party will take this request in serious consideration.

The following four principles are taken from the Linggadjati Agreement:

9. Independence for the Indonesian peoples.
10. Co-operation between the peoples of the Netherlands and Indonesia.
11. A sovereign state on a federal basis under a constitution which will be arrived at by democratic processes.
12. A union between the United States of Indonesia and other parts of the Kingdom of the Netherlands under the King of the Netherlands.

Confirmed for the Government of the Kingdom of the Netherlands

RADEN ABDULKADIR WIDJOATMODJO
Chairman of the delegation

Confirmed for the Government of the Republic of Indonesia

DR. AMIR SJARIFUDDIN
Chairman of the delegation

The representatives on the United Nations Security Council Committee of Good Offices on the Indonesian Question, and the Committee Secretary, whose signatures are hereunto subscribed on this 17th day of January 1948, on board the U.S.S. *Renville*, testify that the above principles are agreed to as a basis for the political discussions.

Chairman: MR. JUSTICE RICHARD C. KIRBY (Australia)
Representatives: MR. PAUL VAN ZEELAND (Belgium)
DR. FRANK P. GRAHAM (United States)
Secretary: T. G. NARAYANAN

ADDITIONAL PRINCIPLES FOR THE NEGOTIATIONS TOWARD A POLITICAL SETTLEMENT ³⁰

The Committee of Good Offices is of the opinion that the following principles, among others, form a basis for the negotiations towards a political settlement:

1. Sovereignty throughout the Netherlands Indies is and shall remain with the Kingdom of the Netherlands until, after a stated interval, the Kingdom of the Netherlands

²⁹ U.N. doc. S/649, Feb. 10, 1948, p. 111. These principles

were accepted at the 4th meeting of the Committee of Good Offices with the parties on Jan. 17, 1948.

³⁰ U.N. doc. S/649, Feb. 10, 1948. These principles were submitted by the Committee of Good Offices at the 4th meeting of the Committee of Good Offices with the parties on Jan. 17, 1948, and accepted at the 5th meeting of the Committee with the parties on Jan. 19, 1948.

transfers its sovereignty to the United States of Indonesia. Prior to the termination of such stated interval, the Kingdom of the Netherlands may confer appropriate rights, duties and responsibilities on a provisional federal government of the territories of the future United States of Indonesia. The United States of Indonesia, when created, will be a sovereign and independent State in equal partnership with the Kingdom of the Netherlands in a Netherlands-Indonesian Union at the head of which shall be the King of the Netherlands. The status of the Republic of Indonesia will be that of a state within the United States of Indonesia.

2. In any provisional federal government created prior to the ratification of the constitution of the future United States of Indonesia, all states will be offered fair representation.

3. Prior to the dissolution of the Committee of Good Offices, either party may request that the services of the Committee be continued to assist in adjusting differences between the parties which relate to the political agreement and which may arise during the interim period. The other party will interpose no objection to such a request; this request would be brought to the attention of the Security Council of the United Nations by the Government of the Netherlands.

4. Within a period of not less than six months or more than one year from the signing of this agreement, a plebescite will be held to determine whether the populations of the various territories of Java, Madura and Sumatra wish their territory to form part of the Republic of Indonesia or of another state within the United States of Indonesia, such plebescite to be conducted under observation by the Committee of Good Offices should either party, in accordance with the procedure set forth in paragraph 3 above, request the services of the Committee in this capacity. The parties may agree that another method for ascertaining the will of the populations may be employed in place of a plebescite.

5. Following the delineation of the states in accordance with the procedure set forth in paragraph 4 above, a constitutional convention will be convened, through democratic procedures, to draft a constitution for the United States of Indonesia. The representation of the various states in the convention will be in proportion to their populations.

6. Should any state decide not to ratify the constitution and desire, in accordance with the principles of articles 3 and 4 of the Linggadjeti Agreement, to negotiate a special relationship with the United States of Indonesia and the Kingdom of the Netherlands, neither party will object.

DRAFT RESOLUTION SUBMITTED BY THE REPRESENTATIVE OF CANADA REGARDING THE FIRST INTERIM REPORT OF THE COMMITTEE OF GOOD OFFICES ³¹

The Security Council,

HAVING considered the Report of the Committee of Good Offices, informing the Council of the steps taken by the Netherlands Government and the Government of the Republic of Indonesia to comply with the Council's resolution of 1 August 1947;

Notes with satisfaction the signing of the Truce Agreement by both parties and the acceptance by both parties of certain principles as an agreed basis for the conclusion of a political settlement in Indonesia;

Commends the members of the Committee of Good Offices for the assistance they have given the two parties in their endeavours to settle their dispute by peaceful means;

Maintains its offer of good offices contained in the resolution of 25 August 1947, and, to this end,

Requests both parties and the Committee of Good Offices to keep the Council directly informed about the progress of the political settlement in Indonesia.

Australian Amendment ³²

Insert the following paragraph between the third and fourth paragraphs of the Canadian draft resolution (document S/678).

CONSIDERS that it is a matter for the Committee of Good

Offices itself as to whether that Committee in the future should make and at its discretion publish suggestions to the parties to help them in reaching a political settlement without necessarily waiting for the parties to request them to do so.

Colombian Amendment ³³

Insert the following before the last paragraph of the Canadian draft resolution (document S/678):

INVITES THE PARTIES:

(a) To direct their efforts, with the assistance of the Committee of Good Offices, toward the early and full implementation of the bases for a political settlement already agreed upon; and

(b) To avail themselves of the Committee's services for the solution of any differences that may arise between them in respect of the interpretation and application of such principles.

REQUESTS THE COMMITTEE OF GOOD OFFICES:

To continue, by the means that they consider appropriate, to assist the parties in their endeavours to attain the ends set forth above.

TEXT OF THE RESOLUTION SUBMITTED BY CHINA AND ADOPTED AT THE 259th MEETING OF THE SECURITY COUNCIL ³⁴

The Security Council,

REQUESTS the Committee of Good Offices to pay particular attention to the political developments in Western Java and Madura and to report to the Council thereon at frequent intervals.

³¹ U.N. doc. S/678, Feb. 18, 1948.

³² U.N. doc. S/681, Feb. 21, 1948.

³³ U.N. doc. S/682, Feb. 21, 1948.

³⁴ U.N. doc. S/689, Mar. 1, 1948.

UNITED NATIONS CONFERENCE ON FREEDOM OF INFORMATION ¹

AN ARTICLE

The United Nations Conference on Freedom of Information, convoked by the Economic and Social Council, will be called to order at Geneva, Switzerland, on March 23, 1948. It has as its objective the advancement of the freedom of the human mind—a forward step in the long pilgrimage of the peoples of the world toward effective freedom and understanding. Success in achieving this objective depends, however, upon the solution of extremely delicate and complex international problems.

If war is to be avoided and if international cooperation is to become a reality, world opinion must be free to play its proper role as arbiter in the peaceful settlement of the international differences among nations. Only as the peoples of the community of nations have access to uncensored information and are able to express their thoughts and feelings without fear, can world opinion exercise its influence toward peace and cooperation.

The Meaning of Freedom of Information

The rights and privileges which together constitute freedom of information are difficult to specify with any degree of conclusiveness. Agreement has never been reached upon a definitive enumeration of them, and they are not yet fully recognized in statutory or international law.

The elements of freedom of information may be classified in various ways, such as domestic rights and international rights; legal, enforceable rights, and moral rights; and the rights of the public, of journalists, and of the media of mass communication. If the last of these is taken as an illustration, freedom of information may be regarded as including—in the American view—certain rights, namely:

(1) of the *public*, primarily the right to receive information and the moral claim to be comprehensively informed on the basis of full news coverage;

(2) of *reporters and other writers*, especially the right to gather and report information; and

(3) of the *media of mass communication* (such as newspapers, radio stations, and the motion-picture industry), particularly the right to acquire and disseminate information.

According to the American outlook, members of the public should enjoy the right to receive and read printed materials originating at home or abroad, to listen to domestic or foreign broadcasts, to view films produced domestically or in foreign countries, and to proclaim views orally or in writing on political and other subjects. These freedoms are based on the general premise that the public has a moral right to receive and to disseminate information on all sides of controversial issues.

The freedoms applying especially to journalists include, in the American view, the opportunity (subject to laws and regulations aimed at preserving national security) to enter all countries, to travel within them, to have nondiscriminatory access to sources of information, to gather information, to transmit information by telecommunication and by mail without censorship, and to leave without molestation.

The media of mass communication, including the press, radio, and screen, should have the right to acquire information by sending correspondents and photographers to the sources of domestic and international news; to receive dispatches, scripts, and other informational materials originating at home and abroad; to produce and distribute publications and films (freely at home and without undue restrictions in foreign countries); to exhibit films both domestic and foreign; to stage and exhibit plays; and to produce and broadcast radio programs. These privileges imply a corresponding moral obligation to present news comprehensively and without distortion, in order that the public may be adequately informed.

Although all the cherished rights which have been mentioned are inherent in the concept of freedom of information, they are nevertheless subject to certain limitations. Questions naturally arise as to what limitations are proper. In the traditional as well as current answers to these questions, there is general assent to the proposition that restrictions may be imposed upon freedom of information in the interest of military security, public order, public morals, and prevention of

¹ Prepared in the Division of Historical Policy Research, Department of State.

libel. Wide disagreement exists, however, particularly between countries, regarding specific restrictions within these accepted categories.

Origin and Purpose of the Conference

Of the "four freedoms" enunciated by Franklin D. Roosevelt on January 6, 1941, the first was "freedom of speech and expression—everywhere in the world". This freedom was discussed at the San Francisco conference of 1945 which drew up the Charter of the United Nations. Although the Charter refers in various articles to the promotion of human rights and freedoms, without specific allusion to freedom of information, the Chairman of the United States Delegation, Secretary of State Edward R. Stettinius, Jr., reported his understanding that these references were intended to cover freedom of information.

A conference on the subject was first proposed by the Philippine Delegation to the General Assembly of the United Nations, which presented a draft resolution early in 1946 concerning the calling of an "International Press Conference". The resolution was received too late to be included in the agenda for the first part of the first session of the General Assembly, but on February 9, 1946, the Assembly voted to place the question upon the agenda for the second part of the first session, to be held that fall in New York.

At the autumn meeting the Delegation of the Philippine Republic submitted a new draft resolution authorizing a conference of all members of the United Nations on freedom of information. In discussing this resolution, the Representative of the Philippine Republic in the General Assembly's Third Committee, which had the resolution under consideration, explained that his Delegation had proposed the new resolution because it believed that radio and motion pictures must be considered along with the press in dealing with freedom of information.

The resolution, with a slight change in form but not in substance, was unanimously adopted by the General Assembly at its plenary session of December 14, 1946.² It declares that freedom of information "is a fundamental human right and is the touchstone of all the freedoms to which the United Nations is consecrated". Implying "the right to gather, transmit and publish news anywhere and everywhere without fetters", freedom of information—according to the resolution—"is an essential factor in any serious effort to promote the peace and progress of the world". It requires, however, "as a basic discipline the moral obligation to seek the facts without prejudice and to spread knowledge without malicious intent". The resolution further states that "Understanding and

co-operation among nations are impossible without an alert and sound world opinion which, in turn, is wholly dependent upon freedom of information".

The resolution concluded with an authorization for an international conference on freedom of information and an instruction to the Economic and Social Council to undertake its convocation in accordance with certain guiding principles, the chief of which was that the purpose of the conference "shall be to formulate its views concerning the rights, obligations and practices which should be included in the concept of the freedom of information".

Highlights of the Provisional Agenda

The provisional agenda of the conference was prepared by an agency known as the Sub-Commission on Freedom of Information and of the Press, which is the latest link in the chain of organs established within the United Nations to deal with proposals, to make decisions, and to take action concerning freedom of information. Beginning at the highest level, the other organs are the General Assembly, the Economic and Social Council, and the Commission on Human Rights.

The Sub-Commission devoted the greater part of its first session (May 19–June 4, 1947) to a discussion of the items to be included in the agenda of the forthcoming Geneva conference. A far-reaching draft proposed by the United States member of the Sub-Commission, Professor Zechariah Chafee, Jr., of the Harvard Law School, was taken as the basis for discussion. Various proposals were discussed at length, comparatively few of the items on the agenda being placed there without a formal vote; and members more than once made specific demands that their views and reservations appear in the record of the meetings. It was agreed that no agenda item should be considered as expressing the view of the Sub-Commission on matters of substance and that the items should be considered only as titles or topics upon which the conference would be invited to reach its own conclusions. It was, however, the view of a substantial majority of the Sub-Commission that the provisional agenda which was adopted opened the way for wide and useful discussion of all the main points contained in the terms of reference of the conference.

The Economic and Social Council on August 15, 1947, approved with modifications the draft agenda referred to it by the Sub-Commission. On November 17, 1947, the General Assembly approved the provisional agenda, after a strenuous effort had been made by the representative of the Soviet Union to obtain the insertion in the agenda of references to compulsory obligations of

² For the text of the resolution, see BULLETIN of Feb. 9, 1947, p. 244 n.

the press.³ The provisional agenda will become definitive upon adoption by the conference.

As finally adopted, the provisional agenda calls first for a general discussion of the principles of freedom of information and next for consideration of four fundamental principles which the press, radio, and films as media of information should regard in performing their basic functions of gathering, transmitting, and disseminating news and information without fetters. These are:

1. To tell the truth without prejudice and to spread knowledge without malicious intent;

2. To facilitate the solution of the economic, social and humanitarian problems of the world as a whole through the free interchange of information bearing on such problems;

3. To help promote respect for human rights and fundamental freedoms for all, without distinction as to race, sex, language or religion, and to combat any ideologies whose nature could endanger these rights and freedoms;

4. To help maintain international peace and security through understanding and cooperation between peoples, and to combat forces which incite war, by removing bellicose influences from the media of information.

Among the specific problems on the provisional agenda is the topic, "Measures to facilitate the gathering of information". This includes facilitating the entry, residence, movement, and travel of accredited news personnel; protecting them against arbitrary expulsion; permitting the widest possible access to news sources; and eliminating unreasonable or discriminatory taxes.

The conference will also discuss "Measures to facilitate the international transmission of information". This topic covers the progressive elimination of peacetime censorship as it affects the international transmission of information, as well as recommendations for preferential telecommunication and postal treatment for news materials, nondiscriminatory transmission rates and services for foreign news agencies, alleviation of economic or commercial restriction on the importation of news material by all media, and prevention of such cartelization of news agencies as may endanger the freedom of the press.

"Measures concerning the free publication and reception of information" is an additional subject for conference discussion. This will entail consideration of the restrictions imposed by governments on persons or groups wishing to receive and disseminate information, ideas, and opinions, and recommendation of means to increase the amount of domestic and international information available to all peoples and to improve the quality of information in the direction of greater accuracy, objectivity, comprehensiveness, and representative character.

A further item on the agenda is "Consideration of the drafting of a charter of rights and obligations of the media of information", including (1) a statement of the rights of these media and the means of safeguarding such rights through international agreements within the framework of the United Nations, and (2) a statement of the obligations of the media of information and the measures necessary to insure the fulfilment of these obligations.

The conference is also scheduled to discuss "Consideration of possible continuing machinery to promote the free flow of true information". According to the agenda, the functions of such machinery might include (1) receiving, considering, and reporting on complaints regarding false news, tendentious or defamatory campaigns, obstructions to the flow of information, and violations of any international conventions in this field; (2) suggesting changes in the provisions of such agreements, and publishing other recommendations on the question of freedom of information; (3) continuing study of the current performance of news agencies and other processes of international information; and (4) regulating the issuance of international professional cards for news personnel.

Finally, the provisional agenda provides for "Consideration of the problems involved in the establishment of governmental and semi-governmental information services in order to make information available in countries other than their own" and "Consideration of the possible modes of action by means of which the recommendations of the Conference can best be put into effect, whether by resolutions of the General Assembly, international conventions, bilateral agreements, or by the adoption on the part of the individual states of appropriate laws, or other means".

Organization of the Conference

Taking note of the recommendations of the Sub-Commission on Freedom of Information and of the Press, the Economic and Social Council decided on August 14 and 15, 1947, that the conference (1) should be held at Geneva beginning March 23, 1948, and (2) should be guided by certain principles. These principles include the following:⁴

That voting rights at the conference shall be exercised only by members of the United Nations.

That in addition to members of the United Nations, the following nonmember states shall be invited to participate: Albania, Austria, Bulgaria,

³ For text of the provisional agenda as adopted by the Ecosoc, see U.N. doc. E/573, Sept. 2, 1947, p. 14.

⁴ *Ibid.*, p. 11.

Eire, Finland, Hungary, Italy, Pakistan, Portugal, Rumania, Switzerland, Transjordan, and Yemen.

That certain specialized agencies, intergovernmental organizations, and nongovernmental organizations shall be invited to participate in the preparations for the conference and to attend it. Among these are the International Labor Organization and the United Nations Educational, Scientific and Cultural Organization; the International Postal Union, the International Telecommunication Union, and the International Trade Organization (if brought into existence before the conference); and the American Federation of Labor and the International Organization of Journalists.

That delegations to the conference shall consist of not more than five delegates from each state, not more than five alternates, and advisers as required.

Among the papers which the conference will have before it are (1) a memorandum to be prepared by the Secretary-General of the United Nations on the basis of replies to a questionnaire sent to participating governments regarding freedom of information in their respective countries, and (2) three documents adopted by the Sub-Commission on Freedom of Information and of the Press at its second session, namely, draft articles for inclusion in an International Declaration on Human Rights and an International Covenant on Human Rights (sponsored by the Human Rights Commission) and a tentative statement on the rights, obligations, and practices which should be included in the concept of freedom of information.⁵ The Sub-Commission also recommended that the conference be apprised of the findings of UNESCO on the technical information needs of war-devastated areas.

The American Position

The first article in the "Bill of Rights" amendments to the Constitution of the United States provides in sweeping terms that "Congress shall make no law . . . abridging freedom of speech, or of the press." Provisions safeguarding freedom of speech and of the press also appear in the constitutions of all 48 of the States of the Union. These legal guaranties do not, however, apply to seditious utterances, obscene publications, or similar categories of expression which are likely to endanger national security, public order, public morals, or the reputations of individuals.

The question of the extent to which freedom of expression may properly be curbed in the interest

of broader objectives has often been discussed in the United States. The Alien and Sedition Acts of 1798 (which expired in 1801) clearly went too far. The latter act made it a prison offense to utter or publish "false, scandalous and malicious" remarks about the Government of the United States, the President, or either House of Congress. The standard of judgment now commonly accepted in the United States was formulated by Justice Oliver Wendell Holmes in 1919. He held that prosecutions for seditious utterances are valid if the utterances constitute a "clear and present danger" to the safety of the country. A Federal law of 1940 explicitly prohibits the spread of literature advocating violent overthrow of the Government.

In the international field, the United States has conducted negotiations both bilaterally and multilaterally in the effort to insure unhampered communication of knowledge. In 1944 both major political parties advocated, and Congress indicated its sympathy with, the promotion of freedom to report the news by international compact.

For example, the Treaty of Friendship, Commerce, and Navigation between the United States and Italy signed in February 1948 contains an article guaranteeing freedom of reporters to carry on their work and freedom of nationals of each country to publish in the territory of the other. This treaty will come into force upon the exchange of the ratifications by the two Governments. The United States proposes to include in similar treaties of friendship, commerce, and navigation to be negotiated with a number of other countries a provision relating to freedom of information. Other measures include (1) the rejection by the Department of State of protests of foreign governments against utterances made by private United States citizens and considered offensive by those governments; and (2) the stipulations incorporated in foreign-aid agreements that American reporters must have the privilege of reporting on the distribution of the aid.

Among the multilateral declarations in which the United States has participated with a view to promoting freedom of information are the articles guaranteeing that freedom in the treaties of peace with Italy and the lesser allies of Germany, the article on this subject in the agreed clauses of the proposed Austrian treaty, and the declarations of policy issued at Potsdam and elsewhere respecting the occupation and future of Germany and Japan. Pertinent resolutions were also adopted in 1945 at the Mexico City Conference on Problems of War and Peace and at other international meetings.

Outstanding, however, is the utilization of the various agencies of the United Nations to further the ideal of world-wide freedom of news and ideas. Representatives and nongovernmental experts of the United States have participated actively in the presentation and discussion of relevant proposals

⁵ See U.N. docs. E/437, p. 31; E/441, June 5, 1947; E/547, Aug. 11, 1947. For text of the proposal for a declaration of human rights, see BULLETIN of Dec. 7, 1947, p. 1076.

in the General Assembly, the Economic and Social Council, the Human Rights Commission, and the Sub-Commission on Freedom of Information and of the Press, as well as in the United Nations Educational, Scientific and Cultural Organization. At the forthcoming United Nations Conference on Freedom of Information and through other channels of the United Nations, the United States will seek solutions to the following problems among others:

1. Implementing the moral right of the people to be provided with comprehensive news coverage. For example, how may we insure the receipt of unexpurgated reports from correspondents abroad? How may we obtain the privilege of sending correspondents abroad to places—in eastern Europe and elsewhere—from which the entire world wants more news? It should be remembered in this connection that the exclusion from the United States under the immigration law of those who advocate

violent overthrow of the United States Government applies also to journalists who advocate such violent overthrow, unless they are officials of foreign governments or correspondents accredited to the United Nations.

2. Promoting the entry of periodicals, books, and films into countries where now such entry is hindered by political and economic obstacles, such as acknowledged and unacknowledged censorship, currency restrictions, and quotas.

3. Harmonizing the moral responsibility of the press with genuine freedom of the press. For example, how can the problem of so-called “war-mongering” be dealt with in democratic countries without destroying freedom of expression?

At the Geneva conference and at other meetings, broad areas of international agreement will be mapped out and international machinery will be developed to give life and strength to real intellectual freedom.

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¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed, or processed documents) may be consulted at certain designated libraries in the United States.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Discussion of the Palestine Problem in the Security Council

STATEMENT BY AMBASSADOR WARREN R. AUSTIN¹

U. S. Representative in the Security Council

MR. PRESIDENT:

The pending business is the Belgian amendment to the draft resolution on the Palestine question submitted by the United States, document S/685. The distinguished Representative of Belgium, in speaking upon his amendment, stated, among other things, the following (and I read now from page 45 of SPV/258):

"I have submitted an amendment to the draft resolution of the delegation of the United States. This amendment tends to eliminate from the proposal any provision which constitutes a position on the substance of this question, i.e., partition. Amended in this way the draft resolution would remain within the limits of the present stage in which we find ourselves, the stage of investigation and elucidation of the possibilities. In this way the committee of five would have the greatest possible freedom. It would, nonetheless, be obliged to take into consideration all the elements of the problem, particularly the existence of a resolution of the General Assembly and a partition plan recommended by the General Assembly."

Again on page 46 occurs the following in his address:

"My amendment has but one objective, and that is that the Security Council might avoid pronouncing itself at the present stage of the discussion of this question while it is still insufficiently informed. This amendment does not in any way prejudge the position which the Security Council will take when the proper time comes. The Security Council will not take a position to pronounce itself properly and usefully as long as the committee has not expressed itself upon the results of its investigation."

And outside the record I have come to the understanding that Belgium is against the United States paragraph 1 for the time being. It is understood to be opposed only because Belgium considers that the moment has not yet come to

take a position on it now that the committee of five has not deposited its reports following its talks with the authorities.

Mr. President, the United States, notwithstanding this position, cannot support the Belgian amendment. The substantive issue is on the adoption or postponement of paragraph 1 of the draft resolution proposed by the United States. I read it here for the record:

Resolves:

"1. To accept, subject to the authority of the Security Council under the Charter, the requests addressed by the General Assembly to it in paragraphs (a), (b) and (c) of the General Assembly Resolution of 29 November 1947."

That is the end of it; paragraph 2 implements paragraph 1. A vote for this paragraph would be a vote for partition as a Palestine solution.

The General Assembly voted for partition as a Palestine solution.

The United States of America voted for that solution, and still supports it.

As we have stated before, the United States supports the General Assembly plan for partition as the framework of implementation by pacific means.

Paragraph 1, under consideration, containing the reservation "subject to the authority of the Security Council under the Charter", expresses a Charter principle implied—and we say it must be implied—in every part of the General Assembly resolution. This paragraph 1 in our draft resolution, therefore, interprets the acceptance of the General Assembly requests in the following manner:

"Requests (a) That the Security Council take the necessary measures, as provided for in the plan for its implementation;"

I intend to take them up a, b, c, *seriatim*, and give our interpretation of the effect of the adoption of paragraph 2.

This is accepted, subject to the limitation that armed force cannot be used for implementation of the plan, because the Charter limits the use

¹Made on Mar. 2, 1948, and released to the press by the U.S. Mission to the United Nations on the same date. For statement by Ambassador Austin on Feb. 24, 1948, see BULLETIN of Mar. 7, 1948.

of United Nations force expressly to threats and breaches, and aggression affecting international peace.

Therefore, we must interpret the General Assembly resolution as meaning that the United Nations measures to implement this resolution are peaceful measures.

Request (b) the General Assembly resolution

“Requests that

“(b) The Security Council consider if circumstances during the transitional period require such consideration, whether the situation in Palestine constitutes a threat to the peace. If it decides that such a threat exists, and in order to maintain international peace and security, the Security Council should supplement the authorization of the General Assembly by taking measures, under Articles 39 and 41 of the Charter, to empower the United Nations Commission, as provided in this resolution, to exercise in Palestine the functions which are assigned to it by this resolution;”

This paragraph 1, with the qualifying clause, “subject to the authority of the Security Council under the Charter” *does not authorize use of enforcement under articles 39 and 41 of the Charter to empower the United Nations Commission to exercise in Palestine the functions which are assigned to it by the resolution, because the Charter does not authorize either the General Assembly or the Security Council to do any such thing.*

On the other hand, the passage of paragraph 1 of our draft resolution accepts Request (b) with the clear interpretation that is made by this reservation in paragraph 1 “subject to the authority of the Security Council under the Charter”. Thus, the duty which is accepted, if we pass paragraph 1 of this resolution, is to consider under Request (b) whether the situation in Palestine constitutes a threat to the peace. Acceptance of it requires consideration of whether such a threat exists.

If the Security Council finds that there is a threat to international peace it may, of course, empower the United Nations Palestine Commission to assist the Council in maintaining peace.

If the Security Council should find that a threat to international peace or breach of the peace exists, it is empowered to make recommendations, or to take provisional measures under article 40, or to impose economic and other nonmilitary sanctions under article 41, or to take military measures under article 42. The Council would be required to follow one or more of these lines of action. It might pursue these lines of action in any sequence deemed proper.

This is an obligation that exists without the General Assembly resolution, because the Charter requires it.

Now I come to (c).

This paragraph 1 in the draft resolution interprets Request (c) of the General Assembly resolution as follows:

Under article 39 the Security Council is under a mandate to determine existence of any threat to the peace, breach of the peace, or act of aggression. It may regard attempts to alter by force the settlement envisaged by this resolution as constituting such threat. The obligation must be carried out by the process of determination—note the language of (c)—and not solely at the request of the General Assembly.

As we have stated before, the Special Report of the Palestine Commission, dated February 16, 1948, “reports facts which, if accepted or substantiated by the Security Council, would appear to lead to the conclusion that a threat to international peace is present in that situation”. Acceptance of Request (c) through the adoption of paragraph 1 of the United States draft resolution is an undertaking by the Security Council to look into the matter immediately to determine whether such a threat exists. Our subsequent paragraph 2 provides a way of investigation.

Now note the language of this Request (c).

Request (c) reads:

“Requests that the Security Council determine as a threat to the peace, breach of the peace, or act of aggression, in accordance with Article 39 of the Charter, any attempt to alter by force the settlement envisaged by this Resolution.”

You cannot drop a word out of that and have the same meaning.

The language of Request (c) had a current construction by my Government at the time of acceptance of it by my Government in the *Ad Hoc* Committee. It excluded the hypothesis that if an attempt to alter by force, the settlement envisaged by the resolution should occur, the Security Council must determine therefore that it constitutes a threat to the peace. That practical current construction was made in the following language by Ambassador Herschel V. Johnson, who was then acting in the *Ad Hoc* Committee, from which I take the following quotation:

“My Delegation, I must say quite frankly, would not have been able to support the original amendment put up by the Delegation of Denmark. We are prepared, however, to accept this revised version. The revised version does not ask the Security Council to act upon a hypothetical situation, but requests that it act in the event that a situation which constitutes a threat to international peace and security should arise. This, at best, can only be an admonition to the Security Council. The Security Council by its own Constitution has the duty to exercise surveillance over such situations, and to determine when a threat to international peace and security exists.”

The reservation "subject to the authority of the Security Council under the Charter", in paragraph 1 of our resolution, rests upon the principle upon which the United States stood, as stated by Ambassador Johnson.

As we see it, interpreted in this manner, the acceptance of Request (c) requires determination of the question of fact of threat to international peace, and if such threat is found, action under chapter VII.

Taken all together, paragraph 1 of the United States resolution means that the Security Council will do everything it can under the Charter to give effect to the recommendation of the General Assembly.

Resolution on the Palestinian Question¹

The Security Council,

HAVING received the resolution of the General Assembly of 29 November 1947, on Palestine, and

having received from the United Nations Palestine Commission its First Monthly Report and its First Special Report on the Problem of Security in Palestine;

Resolves to call on the permanent members of the Council to consult and to inform the Security Council regarding the situation with respect to Palestine and to make as the result of such consultations recommendations to it regarding the guidance and instructions which the Council might usefully give to the Palestine Commission with a view of implementing the resolution of the General Assembly. The Security Council requests the permanent members to report to it on the results of their consultations within ten days.

Appeals to all Governments and peoples, particularly in and around Palestine, to take all possible action to prevent or reduce such disorders as are now occurring in Palestine.

Korean Elections To Be Held on May 9

PROCLAMATION BY LIEUTENANT GENERAL JOHN R. HODGE¹

United States Commander in Korea

To the People of Korea:

The General Assembly of the United Nations, having established a United Nations Temporary Commission on Korea, recommend that election be held to choose representatives with whom the commission may consult regarding prompt attainment of the freedom and independence of the Korean people, and which representatives, constituting a National Assembly, may establish a national government of Korea;²

And the United Nations Temporary Commission on Korea having consulted the Interim Committee of the United Nations, which expressed the view that it is incumbent upon the United Nations Temporary Commission on Korea to implement the program as outlined in the Resolution of the General Assembly in that part of Korea which is accessible to the commission; and

The United Nations Temporary Commission on Korea having concluded to observe such elec-

tions in those parts of Korea accessible to it, and the territory occupied by the Armed Forces of the United States of America being accessible to the commission;

Now, THEREFORE, by virtue of the power vested in me as Commanding General of the United States Army Forces in Korea, I do hereby proclaim as follows:

1. That election of the representatives of the Korean people, under the observance of the United Nations Temporary Commission on Korea, shall be held within the territory of this command on 9 May 1948.

2. That such election is being held under the terms and provisions of Public Act number 5, dated 3 September 1947, law for the election of members of the Korean Interim Legislative Assembly, with such changes, additions, and emendations as, after consultation with the United Nations Temporary Commission on Korea, may be deemed necessary.

Given under my hand at Seoul, Korea, on 1 March 1948.

JOHN R. HODGE
Lieutenant General,
United States Army Commanding

Department of State Bulletin

¹ Adopted by the Security Council at its 263d meeting on Mar. 5, 1948. U.N. doc. S/691, Mar. 5, 1948.

² Released in Seoul, Korea, on Mar. 1, 1948. Printed from telegraphic text.

³ BULLETIN of Dec. 14, 1947, pp. 1154, 1162. For resolution adopted by the Interim Committee on Feb. 26, 1948, see BULLETIN of Mar. 7, 1948, p. 297.

STATEMENT BY GENERAL HODGE '

[On] 9 May 1948, the Korean people will go to the polls under democratic processes for the first time in history to cast their ballots for the election of their representatives who will later establish a national government.

The elections will be held pursuant to United Nations Assembly resolutions adopted on 14 November 1947 ("resolutions adopted on reports of the first committee") and under the observation of the United Nations Temporary Commission on Korea which is now in Seoul.

The elections will be held on the basis of adult suffrage, by secret ballot and multiple party nomination of candidate. In other words, all qualified adults of both sexes may participate in elections, may vote in secrecy without fear of retaliation by rival political groups, and may select candidates of the choice from among all political groups. There is no law specifically applicable to an election of this kind. However, the South Korean Interim Legislative Assembly on 12 August 1947 enacted Public Act No. 5 ("Law for the election of members of the Korean Interim Legislative Assembly"). That basic law will be embodied in a South Korean interim government ordinance for the conduct of these elections, incorporating therein the recommendations of the United Nations Temporary Commission on Korea.

Recommendations for regulations to implement this act were devised by a committee consisting entirely of Koreans, as provided in the act itself, and on the whole will be adopted for the execution of the election law itself.

In general therefore, the elections will be carried under laws and regulations drafted by representative Koreans after full and free discussion in the tradition of democratic procedure, and the incorporation of certain provisions to meet the requirement of the United Nations Temporary Commission on Korea to insure democratic and free elections. It is incumbent upon all Koreans to learn the provisions on regulations and to abide by them in letter and spirit.

There will be a systematic dissemination of information to the public concerning the election, involving the maximum use of radio, press, dropping of leaflets by plane, etc. Citizens are urged to inform themselves on all phases of the election and keep abreast of the developments through the official informational releases which will be issued regularly. I particularly advise caution against listening to false prophets and against credulous acceptance of rumors. Plenty of both may be expected from elements seeking to destroy democratic processes in your country.

Voting is participation in government of one's country, and it is the civic duty of every adult citizen.

Anyone abstaining from voting forfeits his right to complain of actions or policies of a government resulting from an election in which he did not participate.

In a democracy the majority necessarily must govern through duly elected representatives. That imposes upon the minority a duty to accept the results of a fair election. In a democracy the minority defeated in a fair election has the privilege of seeking to become a majority through subsequent persuasion of the voters to adhere to its principles.

In a democracy heads are counted, not broken. Political issues are settled with freely cast ballots, thus avoiding use of force. That calls for discussion, exchange of views on political platforms and candidates as regards attainments and capacity, but not offensive verbal personal attacks or acts of terrorism. Democracy has been called government by discussion.

Elections in Korea, the conduct of the campaign, and the results therefrom, will attract world-wide attention. The actions of the Korean nation and its people will closely be watched by certain groups that wish to be extremely critical and fault finding. Wholehearted acceptance of democratic principles and responsibilities are part and parcel of the accountability and obligations of members of the family of nations.

I hope to see the election supported and carried out by Koreans in a manner which will be creditable to their nation. No individual, group, or combination of groups, can be permitted to nullify the workings of the democratic processes of election. This is the greatest opportunity of all time for all Koreans to demonstrate that they can completely handle their own affairs in a democratic manner and can conduct fair and free elections under laws developed by Koreans themselves. Korean political leaders and interim government officials and members of the Korean election committees carry great responsibility in development of a free atmosphere for truly democratic elections and in guaranteeing freedom of speech, press, orderly assembly and campaigning by candidates, to the end that representatives chosen in the election will be the actual choice of the people. I sincerely believe that they can and will assume and carry out this responsibility, and I urge all Koreans to work together to this end.

'Released in Seoul, Korea, on Mar. 4, 1948. Printed from telegraphic text.

Extension of Aid to Greece and Turkey

STATEMENT BY GEORGE C. MARSHALL¹

Secretary of State

On March 12, 1947, Congress was requested to authorize assistance to Greece and Turkey in the amount of 400 million dollars for the period ending June 30, 1948. The President then stated that such action was made necessary by the gravity of a situation which involved the foreign policy and national security of the United States.

Congress authorized the requested aid by act of May 22, 1947, and appropriated the necessary funds by act of July 30, 1947. There has been presented to the Congress a request for additional military assistance to Greece and Turkey in the amount of 275 million dollars, covering the period through the fiscal year 1949.

In Turkey the supply of equipment destined for the strengthening of the Turkish defense forces is under the general supervision of Ambassador Edwin C. Wilson, who also serves as Chief of the American Mission for Aid to Turkey. In Greece the work of supporting and rehabilitating the Greek economy and of strengthening the Greek armed forces is being carried on by the American Mission for Aid to Greece under the leadership of Dwight P. Griswold.

The program of American aid to Greece has had the important substantial result that Greece continues to exist as a free nation. Economic recovery has been seriously impeded, in spite of American aid, because guerrilla warfare, supported from neighboring countries, has been intensified and continues to disrupt Greek economy.

One hundred seventy-two million dollars, or about 57 percent of the total funds provided for the Greek aid program, is being expended for the strengthening of the Greek armed forces and the creation of local National Guard units to take over from the mobile army the protection of towns, villages, and lines of communications threatened by the guerrilla forces.

When the President addressed Congress on this subject in March 1947, a commission of the Security Council of the United Nations was in the Balkans to investigate alleged border violations along

Greece's northern frontier. The majority report of this committee, submitted on June 27, 1947, concluded that Yugoslavia, Albania, and Bulgaria had supported the guerrilla warfare in Greece. Action on the basis of this report by the Security Council was blocked by a Soviet veto. The matter was accordingly referred, on American initiative, to the General Assembly which, on October 21, 1947, adopted a resolution calling upon Albania, Bulgaria, and Yugoslavia "to do nothing which could furnish aid or assistance" to the guerrillas. It also called upon these powers and Greece "to cooperate in the settlement of their disputes by peaceful means", making certain specific recommendations to this effect. It established a special committee to observe the compliance by the four governments with these recommendations and to be available to assist in their implementation.

The Government of Greece reiterated its willingness to cooperate with the Special Committee. It has in fact done so. On the other hand, the Government of Yugoslavia informed the Secretary-General of the United Nations that it "will not extend any cooperation to the Commission or its observation groups and will not permit their entry into Yugoslav territory". Similar announcements were made by the Governments of Albania and Bulgaria. The Delegates of the Soviet Union and Poland in the General Assembly had already made it clear that their Governments would take no part in the activities of the Special Committee, though membership on the Committee was, and still is, reserved for them.

This attitude on the part of the Union of Soviet Socialist Republics, Poland, Yugoslavia, Bulgaria, and Albania led the Committee in its first interim report to comment on its inability "to report any evidence of bi-lateral compliance with any of the recommendations of the General Assembly". In its second interim report, the Committee called attention to the large-scale guerrilla attack of Christmas Day against the Greek town of Konitsa on the Albanian border and declared, on the basis of the report of its observation group in the region, "that aid in the form of logistic

¹ Made before the House Foreign Affairs Committee on Mar. 3, 1948, and released to the press on the same date.

support is being furnished from Albania to guerrillas operating on Greek territory”.

There was an announcement on December 24, 1947, over the Belgrade radio, of the establishment of a Greek junta under the guerrilla leader Markos. Propaganda against the United States and in favor of the Greek guerrillas has been carried on by the Government-controlled press and radio in the Communist-dominated countries of eastern Europe, and, like support extended to the Greek guerrillas, has been intensified since the inception of the American aid program.

The President, in transmitting to the Congress the second report on assistance to Greece and Turkey, stated: “It is significant that the guerrilla warfare is directed not against the Greek Army but against the people of Greece. The deliberate and wanton destruction of Greek villages does not result from military engagements. It is determined and ruthless destruction intended to render people homeless and drive them from the soil; to force them into overcrowded urban centers where they become charges of an already overburdened state; and to create for them conditions of misery and hardship in the hope that this will make them susceptible to political agitation”. The accuracy of this statement is confirmed by the fact that over 400,000 of the Greek people have left their homes in the villages of the districts where the guerrillas operate and have sought refuge in the cities of northern Greece. They have fled from the guerrillas. They have not joined them.

By such means the independence and territorial integrity of Greece are being threatened and all efforts of the Greeks and their friends to promote the economic rehabilitation of the country are being systematically undermined. The Greek Government has been obliged to divert to military purposes and for refugee relief increasing amounts of money and supplies needed for economic rehabilitation. The American Aid Mission also has been obliged to divert some 23 million dollars of the American funds originally intended for economic purposes in order to build up the Greek armed forces.

The situation is serious, but it is not without hope. The Greek Government, in its efforts to meet its many critical problems, has shown a commendable resistance to the pressure to depart from democratic principles and to apply totalitarian methods to meet the situation. A coalition government headed by the Chief of the Liberal Party and supported by a large majority of the freely elected Greek Parliament still is in power. An intensification of the Greek military effort against the guerrillas, with the forces and equipment presently authorized and now proposed and with the help of the American military officers now reaching the field, gives promise of greater success. With such success in the elimination of guer-

rilla warfare, the economic part of the American aid program which already has begun to show results will have a greatly increased effectiveness in the strengthening of Greek economy.

Extension of further American military aid to Greece and Turkey which is now before the Congress, as well as early and favorable action on the European Recovery Program, will be of tremendous importance in discouraging more overt aggression against Greece. Conversely, nothing could be more calculated to encourage the enemies of Greece in their designs than a show of weakness or hesitation on the part of the United States.

When request for appropriation for aid to Greece and Turkey was made last year the Department of State expressed the hope that, with funds provided under the initial year's program, recovery in Greece would have progressed to such a point that further financing of Greek rehabilitation could be obtained from the international fiscal institutions. The intensification of guerrilla warfare brought about by increased support by Greece's northern neighbors has unfortunately not only made this impossible but has in fact increased the need for both economic and military assistance to Greece.

As a member of the Paris conference of the Committee of European Economic Co-operation, Greece participated in the development of a program for European recovery which it was calculated would require four years for realization. Funds provided under the ERP will not, of course, be available for military assistance to the Greek armed forces in their fight against the guerrillas. Although there is expectation that the guerrilla menace can be brought under control during the period for which additional military funds are now requested, ultimate success in the guerrilla war and termination of military assistance to Greece depends in large part upon the degree to which Greece's northern neighbors give assistance to the guerrillas in their efforts to secure Communist domination of Greece against the wishes of the Greek people.

I call your attention to the following passage from the recent report on Greece of the subcommittee of the House of Representatives Select Committee on Foreign Aid:

“Should the United States now withdraw its support from Greece, which would almost certainly result in the establishment of a Communist government, the Communist parties throughout Europe would undoubtedly utilize the opportunity to point out to those who are now valiantly resisting Communist infiltration in other countries the uncertainty of relying on United States help. The effects of such withdrawal would greatly weaken the determination of the constitutional forces resisting Communism elsewhere”.

The continuation of military assistance to Turkey, which has since the war been under such constant foreign pressure that she has had to maintain a large and burdensome military establishment, is equally important. Intensification of Communist pressure against Turkey during the past year, coupled with clear evidence in Greece and Czechoslovakia of Communist intentions against all independent nations who stand in the way of their plans for expansion, have foreclosed the expectation that the military assistance we are furnishing Turkey in this year's aid program will be sufficient. While the proposed program involves no commitment, moral or otherwise, as to continuation of assistance to Turkey beyond the fiscal year 1949, no assurance can be given that additional aid will not be required as long as there

exists the active threat to Turkey of Communist domination.

Greece and Turkey occupy a strategic position in the eastern Mediterranean area. They are confronted by the same menace of the loss of their independence and the imposition by an aggressive minority of a system which is contrary to that desired by the great majority of their peoples. Their loss of independence would have serious effects far beyond the frontiers of the two countries. It would greatly weaken the position of those European countries which the United States is seeking to aid through the proposed European Recovery Program. It is in the national interest of the United States that the principles of the United Nations shall be maintained and that the right of "free peoples to work out their own destiny in their own way" shall not be violated.

Continuation of Assistance to Free Territory of Trieste

LETTER FROM THE SECRETARY OF STATE TO THE PRESIDENT PRO TEMPORE OF THE SENATE¹

[Released to the press March 3]

I enclose herewith for consideration by the Congress draft legislation which would authorize the extension by the United States Government of economic assistance to the Free Territory of Trieste. This legislation is in the form of a bill to amend the Foreign Aid Act of 1947, Public Law 389, 80th Congress. The proposed amendment would make this law applicable to the Free Territory of Trieste or either of its zones, and would extend through June 30, 1949, the period during which aid may be given Trieste. Authorization of further funds is not requested, for funds already authorized under PL 389 but not yet appropriated are adequate to cover the \$20,000,000 program of economic assistance here proposed.

Trieste's status as a Free Territory was agreed upon at the Paris Peace Conference, after the failure of the conferees to reach agreement on its incorporation into either Italy or Yugoslavia. The United States played an important part in determining Trieste's status as a Free Territory, and United States troops, jointly with troops of the United Kingdom, at present occupy the city of Trieste itself and a small part of the adjacent territory. After the Security Council of the United Nations agrees on a Governor for the Free Territory of Trieste, the occupation troops will

be withdrawn from the US-UK zone and from the Yugoslav zone unless requested by the Governor to remain, and the whole Free Territory will be administered under the general supervision of the Security Council. The United Nations has provided \$5,000,000 in its 1948 budget for economic assistance to the Free Territory. This sum will not be available until after a Governor is appointed, which cannot be relied upon as occurring in the near future.

As a separate economic entity, Trieste is not presently able to support itself. The economy of the area is depressed, and its economic *malaise* is aggravated by political unrest. There is a large volume of unemployment, and the area continues to maintain a precarious existence only with the help of subsidies furnished by the United States and to some extent by Italy. With the end of UNRRA, which utilized the port extensively, port activity has slumped. Industrial production is understood to be only about 40 percent of capacity despite ship-building orders and the refining of crude oil for Italy. Employment is being maintained through a work relief program, directed partly towards repair of the considerable war damage in the city. Fundamentally, the solution to the economic problems of the area depends upon the restoration of active trade with both eastern and western European states.

Since its establishment as a separate entity, Trieste has received economic assistance from Italy (mainly in the form of fresh fruit and vegetables, some coal, and some oil) and from the United

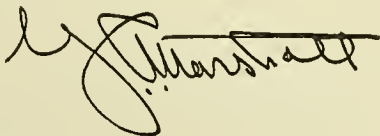
¹ Arthur H. Vandenberg. An identical letter was also sent on Mar. 3, 1948, to Joseph W. Martin, Speaker of the House. Attached to the letters was a copy of the draft bill.

States. Assistance by this Government has been supplied first under the Army's Plan A program to prevent disease and unrest, and more recently under the United States Foreign Relief Program (Public Law 84). The funds available under the latter program will be exhausted before the end of March 1948. Funds should be appropriated by April 1 to cover certain of Trieste's dollar exchange needs for the second quarter of 1948 and for the whole of fiscal 1949. No provision of funds for aid to Trieste was included in the European Recovery Program, for Trieste is not yet a member of the Committee of European Economic Cooperation, although the European Recovery Program legislation would make it possible for Trieste to be included at some later time.

The proposed program of economic assistance requiring dollar funds totals \$20,000,000 for the period April 1, 1948 through June 30, 1949. This program would continue economic assistance for relief purposes, as specified in Public Law 389, but does not make provision for recovery and reconstruction. It is intended to prevent disease and unrest in the zone of Trieste still occupied by US-UK troops, and to prevent the economic situation there from deteriorating further. It continues assistance to the US-UK zone at approximately present levels, but makes no provision for aid to the Yugoslav zone of occupation. Should a Governor be appointed for Trieste and UN funds become available the amount needed for the present program would thereby be reduced.

It is proposed that this program be administered by the State Department until other administrative arrangements are made upon the establishment of an agency to administer the European Recovery Program. Provision is made in Section 14 of PL 389 for the transfer of functions, applicable records, and funds to any organization for general foreign aid which Congress may provide.

Faithfully yours,



A BILL

To amend the Foreign Aid Act of 1947 in order to provide for assistance to the Free Territory of Trieste.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Foreign Aid Act

March 14, 1948

of 1947 (Public Law 389, 80th Congress) is hereby amended in the following particulars:

(a) In section 2 after the comma following the word "France" insert the words "The Free Territory of Trieste or either of its zones (hereinafter referred to as Trieste)".

(b) In subsection (b) of section 5 after the date "June 30, 1948" insert the following words "or in the case of Trieste, September 30, 1949".

(c) In subsection (d) of section 5 after the date "March 31, 1948" insert the words "or in the case of Trieste, June 30, 1949".

(d) In subsection (b) of section 11 before the period at the end of the subsection insert a comma and the words "provided that the provisions of this subsection shall not be applicable in respect of wheat, wheat flour, or cereal grain acquired for Trieste after June 30, 1948".

(e) In section 15 before the period at the end of the section, insert a comma and the words "provided that funds may be obligated for the procurement of commodities for Trieste until June 30, 1949".

(f) Add a new Section 19 as follows: "Pending the appointment of a Governor for the Free Territory of Trieste, either of the zones of the Territory shall be considered as a country and the respective Allied Military Commands as the governments thereof for the purposes of this act."

Address on European Recovery Program

On March 6, Charles E. Bohlen, Counselor, made an address on European aid before the Herald Tribune Forum in New York City; for the text of this address, see Department of State press release 170 of March 6, 1948.

THE FOREIGN SERVICE

Consular Offices

The American Legation and Consulate at Dublin, Ireland, have been combined, effective February 4, 1948.

The American consular agency at Puerto Cortas, Honduras, was established on February 21, 1948.

The Vice Consulate at Fredericton, New Brunswick, Canada, was closed to the public on January 24, 1948.

The American Consulate General at Changchun, China, was closed on February 3, 1948.

The American Consulate at Bergen, Norway, was opened to the public on February 24, 1948.

Report on United States Foreign Aid Shipments

[Released to the press March 2]

Status report of shipments under the United States foreign aid program and the Greek-Turkish aid program as of February 27, 1948

Under Public Law 84

Country	Program as of 2/27/48 ¹	Procurement initiated	Shipments made
Austria	\$72, 786, 129	\$72, 786, 129	\$69, 106, 800
Freight	12, 142, 590	12, 185, 187	11, 566, 756
Subtotal	84, 928, 719	84, 971, 316	80, 673, 556
China	40, 853, 189	38, 600, 482	12, 721, 007
Freight	4, 339, 362	4, 265, 506	1, 469, 078
Subtotal	² 45, 192, 551	42, 865, 988	14, 190, 085
Greece	33, 251, 182	33, 250, 075	31, 363, 153
Freight	4, 633, 977	4, 620, 063	4, 386, 912
Subtotal	37, 885, 159	37, 870, 138	35, 750, 065
Italy	96, 630, 355	96, 630, 355	95, 582, 622
Freight	20, 677, 980	20, 583, 834	20, 558, 261
Subtotal	117, 308, 335	117, 214, 189	116, 140, 883
Trieste	9, 759, 328	9, 759, 330	7, 385, 232
Freight	2, 448, 452	2, 406, 481	1, 823, 261
Subtotal	12, 207, 780	12, 165, 811	9, 208, 493
All countries	253, 280, 183	251, 026, 371	216, 158, 814
Freight	44, 242, 361	44, 061, 071	39, 804, 268
TOTAL C & F cost	\$297,522,544	\$295,087,442	\$255, 963, 082

¹ Source: Office of Assistant Secretary of State for economic affairs.

² Includes \$18,000,000 specifically appropriated for China under Public Law 393 dated Dec. 23, 1947.

Under Public Law 389

Country	Program as of 2/27/48 ¹	Procurement initiated	Shipments made
Austria	\$52, 142, 520	\$46, 077, 797	\$5, 443, 265
Freight	4, 857, 480	4, 363, 437	803, 203
Subtotal	57, 000, 000	50, 441, 234	6, 246, 468
France	225, 942, 000	147, 799, 248	66, 931, 191
Freight	58, 058, 000	42, 774, 153	24, 354, 463
Subtotal	284, 000, 000	190, 573, 401	91, 285, 654
Italy	144, 494, 000	93, 472, 579	38, 178, 793
Freight	36, 506, 000	25, 719, 041	9, 642, 712
Subtotal	181, 000, 000	119, 191, 620	47, 821, 505
All countries	422, 578, 520	287, 349, 624	110, 553, 249
Freight	99, 421, 480	72, 856, 631	34, 800, 378
TOTAL C & F cost	\$522, 000, 000	\$360, 206, 255	\$145, 353, 627

¹ Source: Office of Assistant Secretary of State for economic affairs.

Under Public Law 78

(GREEK-TURKISH AID PROGRAM)

Country	Procurement initiated	Shipments made
Greece	\$40, 894, 946	\$17, 654, 034
Freight	7, 043, 362	2, 911, 521
TOTAL	\$47, 938, 308	\$20, 565, 555

THE DEPARTMENT

Transfer of Personnel From UE to A-T

On February 18, 1948, the personnel assigned to the Office of the Under Secretary for economic affairs was transferred to the Office of the Assistant Secretary for economic affairs.

The Assistant Secretary for economic affairs will continue to advise and assist the Secretary in the development and implementation of foreign economic policy with respect to international trade, finance, and economic development and security; and the Assistant Secretary for transportation and communications will continue to advise and assist the Secretary in the development and

implementation of foreign economic policy, principally with respect to transport and communications affairs.

Appointment of Officers

Willard L. Thorp, Assistant Secretary for economic affairs, as Coordinator for the European Recovery Program (ERP), effective January 19, 1948.

Paul H. Nitze as Deputy to the Assistant Secretary in the coordination of European recovery matters, and James A. Stillwell as Principal Assistant to Mr. Nitze, effective February 18, 1948.

Extension of Reciprocal Trade Agreements Act¹

MESSAGE OF THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House March 11

To the Congress of the United States:

I recommend that the Congress extend the Reciprocal Trade Agreements Act in its present form for three years, until June 12, 1951. This Act authorizes the President, under well-defined procedures and limitations, to conclude agreements with other countries for the reciprocal reduction of tariffs and other obstacles to international trade.

For fourteen years the Reciprocal Trade Agreements Act has been an essential element of United States foreign policy. It was first enacted in 1934, and has been extended by the Congress four times, on each occasion after thorough study of its operation and results. It is well known to the American people and has drawn their constant and increasing support, regardless of party affiliation.

The basic reason for this constant popular support and repeated Congressional approval is that the Act has provided a sound method for increasing world trade through progressive lowering of trade barriers, to the benefit of living standards both here and abroad.

The importance of the Act is greater today than it has ever been. Together with other nations we are engaged in a mighty endeavor to build a prosperous and peaceful world. The financial assistance we have already contributed, and the further aid we shall give to nations in Europe and elsewhere, constitute a tremendous investment toward world economic recovery. The Reciprocal Trade Agreements Act, by stimulating an increasing flow of trade between nations, will contribute strongly to the achievement of this objective. Its extension is essential if we are to complete the work we have begun.

The trade-agreements program contributes not only to the restoration of a prosperous world economy; it also contributes directly to the welfare and prosperity of the people of the United States. Our people need to import many commodities from abroad; we need equally to export many of our products. Both needs are served by agreements which reduce or eliminate obstacles to commerce between the United States and other countries.

These agreements recognize the fundamental fact that trade is a two-way business, and that our foreign commerce depends upon a balanced relationship between imports and exports. Foreign countries must be able to sell to us if they are to have the dollars to pay for our exports and to re-

pay our loans. Adequate markets for our agricultural and industrial producers depend upon the lowering of trade barriers by other countries. Imports of goods needed in this country improve the standard of living of our people as consumers at the same time that they make possible the maintenance of markets for our people as producers.

Currently, we are exporting far more than we are importing. But this is a temporary condition made necessary by considerations of overriding importance. The trade-agreements program is a sound method for achieving a more balanced relationship in the future within the broader framework of the expanding world trade so necessary to economic reconstruction.

In addition, by contributing to the lowering of trade barriers the United States can support the expansion of private trading as distinct from government trading. The existence of trade restrictions is too often accompanied by government participation in trading operations—extending even to trading by government agencies. The preservation of our private enterprise system at home is closely bound up with the reduction of trade restrictions and the encouragement of private international trade.

The Reciprocal Trade Agreements Act is a proven instrument for achieving these objectives. Prior to 1945 the United States had concluded agreements with 29 countries, affecting about one-half of our foreign commerce. These agreements helped greatly to reduce trade barriers and to stimulate the foreign commerce of the United States and the other countries concerned.

Since 1945 we have continued our efforts to reduce the strains imposed upon the world economy by narrow concepts of economic nationalism. Last summer at Geneva the United States and twenty-two other countries concluded the most important and comprehensive trade agreement in history. By this agreement these twenty-three nations agreed to reduce their tariffs, or to maintain low tariffs or none at all, on a wide variety of products. The products affected accounted in 1938 for over half the world's international trade. In addition, the Geneva agreement included commitments to curb the use of other trade restrictions, such as import quotas and preferential treatment of imports from one country as against those from another.

¹H. Doc. 551, 2d sess.

This agreement is a landmark in international economic relations. Never before have so many nations combined in such an intensive effort to reduce barriers to trade. While it will be some time before the benefits of the agreement can be fully felt, it is clear that it will make a substantial contribution to the expansion of world trade and to the recovery of the world economy.

We expect that many other countries will wish to join the Geneva Agreement. The continuance of the Reciprocal Trade Agreements Act is necessary to enable the United States to play its part in extending this reduction of trade barriers to these other countries. Furthermore, we shall need the authority of the Act to make appropriate revisions in the Geneva Agreement as they are made necessary by changing world conditions.

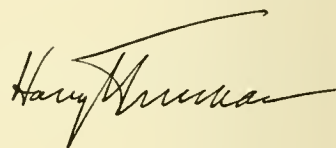
The trade-agreements authority will also be needed to enable us, in concert with other nations, to carry out the International Trade Organization charter, now being completed at Havana. The United States has actively sponsored the creation of this Organization to encourage the conduct of trade between nations on fair and liberal principles and to provide a forum where nations can consult on points of economic difference and on cooperative measures to solve common economic problems. The proposed charter, which will be presented to the Congress at a later date, includes as one of its cardinal points the undertaking that all member countries will stand ready to negotiate for the reduction of tariffs and other trade barriers on a reciprocal and mutually advantageous basis. The extension of the Reciprocal Trade Agreements Act will enable us to carry out this undertaking.

For all these reasons I am convinced that we should continue the Reciprocal Trade Agreements Act. The positive benefits to world trade, to United States export industries and agriculture and to our domestic consumers are beyond question. Furthermore, we need have no fear of serious harm to any domestic producer. An expanding foreign trade promotes the most efficient use of our productive resources and contributes to the growing prosperity of the whole Nation.

In addition, the interests of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress, when the Reciprocal Trade Agreements Act was last extended in 1945, that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept. The practice will be continued of holding extensive public hearings to obtain the view of all interested persons before negotiations are even begun. The practice will be continued whereby each agreement before its conclusion will be carefully studied by the Departments of State, Treasury, Agriculture, Commerce and Labor, the National Military Establishment, and the United

States Tariff Commission. Finally, each agreement will continue to include a clause which will permit withdrawal or modification of concessions if, as a result of unforeseen developments and of the concessions, imports increase to such an extent as to cause or threaten serious injury to domestic producers.

The Reciprocal Trade Agreements Act is a tested and practical means, which has wide bipartisan support, for achieving the benefits of expanding world commerce for the United States and for other countries. It is a continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as the basis for enduring peace. As such, I strongly recommend that the Act be extended for an additional three years.



THE WHITE HOUSE,
March 1, 1948.

Survey Group To Study Civil Administration in Germany

The Department of State announced on March 3 that it is sending a survey group to the United States zone in Germany to study civil administration preparatory to the Department's assumption of civil authority in Germany on July 1, 1948.

The sole objective of the group, which will be in Germany from four to six weeks, will be to secure data to provide guidance for the Department in making plans for taking over the civil government of the United States zone. Organization of the group started early in January 1948, shortly after it was announced that the Department of State would assume administrative duties in Germany. Plans are that the present civilian personnel employed by the Army in Germany will be taken over intact by the Department.

Brig. Gen. Stuart Cutler, retired, will head the group, which consists of 27 Department of State personnel representing every section of the Department concerned in the government of the United States zone. General Cutler left for London on March 2 to confer with Assistant Secretary of State Charles E. Saltzman before proceeding to Germany. Mr. Saltzman is in London for the British, French, and American talks on Germany.

The Future of Germany

BY WILLARD L. THORP ¹

Assistant Secretary for Economic Affairs

The policy of the United States toward the future of Germany derives from three main objectives.

The first objective is the destruction of German militarism and the prevention of its re-creation as a threat to European and world security. Two great wars should be enough to establish this objective firmly in all our minds.

The second objective is the achievement of such economic revival as will enable Germany to become self-maintaining at a tolerable standard of living and capable of making her appropriate contribution to European recovery. At present, instead of contributing to economic betterment throughout the world, Germany is requiring substantial assistance, thereby not only placing a substantial burden for financial support upon the taxpayers of the United States but also aggravating the world shortages in such key commodities as wheat, fertilizer, steel, and fats and oils. The slow recovery of productivity in the Ruhr has delayed economic improvement in many other European countries. So economic recovery must be recognized as an objective.

The third objective is the development of democratic political life and institutions in Germany which will contribute to domestic order and peace among nations. A highly centralized political organization is part of the machinery of totalitarianism, as is the reduction to a minimum of individual human rights and freedoms. The new government of Germany must be designed to discourage the reappearance of a regime with Nazi characteristics and to encourage the establishment of democratic institutions.

These objectives are persisting, but the actual policy application has necessarily undergone a process of evolution to meet changing conditions. The United States still adheres to the basic principles of the Potsdam protocol of August 2, 1945, but it must face the fact the quadripartite action has failed to achieve certain of its important provisions, such as the treatment of all four zones of Germany as an economic unit. Moreover, as the immediate purposes of the occupation were in large part accomplished—for example, demili-

tarization, denazification, and the elimination of war industries—policy has assumed a more positive and constructive orientation.

The failure of the Council of Foreign Ministers to reach four-power agreement on basic questions with respect to the political and economic treatment has led the United States to seek other and more immediate means of making progress toward its objectives—seeking agreement from as many of the occupying powers as possible. The division into zones creates an artificial and non-economic situation. This condition has been met in part by the economic fusion of the United States and United Kingdom zones to deal with the economic problems of the combined area. At present tripartite conversations are in progress in London to determine the extent to which cooperation can be extended among the three western zones.

As to the first objective, demilitarization and security, great progress has been made toward the achievement of the task. The demobilization of armed forces and quasi-military organizations has been completed in the United States zone. By the end of this year, all military installations will have been destroyed or converted to peacetime uses. War material and equipment has been destroyed or otherwise disposed of. Military training, research activity, and propaganda are banned. The production, importation, and use of designated war materials, including aircraft and equipment, is forbidden. War industries in the primary sense are prohibited, as well as such indirect potential war industries as the production of magnesium, radioactive material, and seagoing ships. In the United States zone, 130 first-priority war plants will have been dismantled by June 30, 1948. Other steps in the economic and political field will also contribute to reducing the military hazard for the future.

American policy cannot be content merely with these immediate steps. It demands adequate safeguards that no future German government will be

¹ An address delivered before the Herald Tribune Forum, New York, N. Y., Mar. 6, 1948, and released to the press on the same date.

able to return to paths of aggression. To this end, a 40-year four-power treaty was proposed which would have established a continuing system of inspection to assure no revival of a German military establishment. This proposal was, in effect, rejected by the U.S.S.R. However, in the absence of four-power agreement, the United States is ready to support constructive measures by the western European powers to guard against German military revival.

With regard to the second main objective, that in the economic field, there are two main headings: first, compensation to the Allied and associated powers for the damage done to them by the German war machine; and second, economic recovery.

Here in the United States, it is difficult for us to appreciate fully the point of view of those countries where devastation was tremendous and who ask for reparations from Germany. Obviously, there is no possibility of equivalent compensation. However, countries have been permitted to take over German external assets within their own territories and German shipping has been distributed. The United States has also favored the payment of reparations by the transfer of surplus capital goods from Germany, such transfers to be so limited as to leave Germany able to be self-sustaining and able to contribute her appropriate share to European recovery.

The United States has consistently opposed reparations from current production as either imposing an impossible burden on the German economy or requiring indirect payment of these reparations by the United States by increasing the assistance which it must provide. Because of Soviet failure to accede to the Potsdam principle of the economic unity of Germany, deliveries to the U.S.S.R. from the U.S. zone have been largely suspended since May 1946.

The effect of the reparations program on the operation of the German economy, at least as applied in the western zones of Germany, has been somewhat exaggerated. The program based on the revised bizonal level-of-industry agreement is intended to remove only plants or equipment which are surplus to a peaceful German economy and which will contribute more effectively to European recovery if transferred to the claimant countries. The German economy today is operating far below its capacity, even if the removals had been much greater than these actually scheduled.

But the economic problem of Germany lies much more in the future. Germany is not a going concern. Its present rate of industrial production is less than one half that of the prewar years. Devastation, destruction, deterioration, and disorganization have led to persisting food and coal shortages, transportation bottlenecks, inadequate supplies of consumers' goods and raw materials, inadequate housing, unstable currency, black mar-

kets and hoarding, and the lack of incentives to produce. The situation is aggravated by the loss of the former food surplus area and the greatly increased population due to transfers and refugees from the east.

As an occupying power, the United States has undertaken since the beginning to prevent "disease and unrest" in its zone. The largest requirement for this purpose has been to meet the food deficiency. In December 1947, an agreement was reached with the U.K. Government, whereby the responsibility for financing this deficit in the bizonal area would be met when in pounds sterling by the British and when in dollars by the U.S. On this basis, it is estimated that the cost for 1948 for the United States will be approximately \$800 millions. This does not include the direct occupation costs which are about \$500 to \$600 million per year.

This disease-and-unrest program does not provide the ingredients for economic recovery. The bizonal area needs heavy imports of raw materials such as cotton and metals, paper, timber, petroleum, as well as some types of manufactured goods. German exports have provided the basis for some such purchases abroad, but there is a vicious circle whereby goods cannot be exported for lack of raw materials and raw materials cannot be purchased for lack of exports with which to make payment.

Any rapid economic recovery in Germany is possible only in conjunction with the European Recovery Program. In turn, increased German production is indispensable to recovery in other European countries. The chief German export is coal, but such pig iron and steel, machinery and equipment, finished textiles, glass and ceramics, and chemicals as can be exported will go in large part to assist in the recovery of other countries in western Europe.

The estimates for the first 15 months of the European Recovery Program include about \$350 millions for Germany. The total cost to the United States with respect to Germany should decline sharply and progressively as recovery in Europe progresses and German exports increase.

This is not a program to give priority to German recovery, as some have alleged. It does recognize the importance of Germany as a part of the economy of western Europe.

The great economic strength of Germany lies in the Ruhr. There are those who feel that the best way to obtain security for the future is to separate this area from Germany. The United States would prefer to accomplish the security objective through positive action designed to curb Germany's war-making power. However, it is clear that safeguards must be set up to insure that the resources and industrial potential of the Ruhr, particularly in respect to coal and steel, should not

be left under the exclusive control of any future German government but should be used for the benefit of the European community as a whole. There is no problem here so long as the occupation continues. The United States Government remains to be persuaded of the advisability of direct international ownership, management, or allocation of Ruhr resources, but is prepared to agree to a plan for the international supervision of German allocation of vital Ruhr resources, to insure their equitable distribution throughout Europe, and to prevent their utilization in building up a new war potential in Germany.

As to the third main objective, the United States has promoted and will continue to promote institutions of self-government in Germany. The United States zone was the first to inaugurate local self-government and free elections. Administrative responsibility has been progressively transferred to Germans of approved political reliability. Four self-governing states, Bavaria, Württemberg-Baden, Hesse, and Bremen, were set up by the end of 1946 with popularly approved constitutions, written and enacted by the Germans themselves, containing broad and comprehensive bills of rights and the guaranty of democratic processes. Along with this has gone the reopening of schools and universities, although greatly hampered by the shortage of textbooks, materials, and teaching personnel. Denazification, a process which we hope will be completed by the middle of this year, required the eliminating of more than 50 percent of the former teaching staff. It is our intention that the new school system which is being developed by the states will not be devoted to the indoctrination of political dogma, but will be characterized by freedom of expression, equality of opportunity, and the recognition of civic responsibility.

Germany today is divided into 17 political-administrative units (16 states and Berlin) with no German coordinating agencies for the whole area. Each state has now its own German administration, supervised in varying degrees by the occupying authority. The quadripartite administration by the four occupying authorities for all of Germany is virtually stalemated. Therefore, each zone is separately administered, with uniformity among them only with respect to certain limited matters. The United States and United Kingdom zones have a recently organized bizonal economic administration.

The establishment of states in Germany as the dominant administrative units is consistent with American policy. However, there are many matters, particularly in the economic field, where a common policy over a broader area is desirable. For that reason, there should be contemplated the ultimate establishment of the German national state on a federal basis, but with no single state in a position to exercise dominant power. All three

basic objectives can best be accomplished if there is no excessive concentration of either economic or political power.

I should not wish even to suggest that any of the objectives, the destruction of militarism, the achievement of economic health, and the firm establishment of democratic political institutions, has been fully accomplished as yet. The difficulties and problems are many. The quadripartite stalemate is a tremendous obstacle.

It is possible to achieve and maintain the negative goal of demilitarization from the outside. The constructive economic and political goals require more than external direction. Neither a healthy economy nor an effective democracy can be achieved by compulsion or legislation, although a contrary regime could possibly be forced upon Germany by organized political penetration and interferences from the outside. Such a course is not the American way. We would prefer to offer Germany the opportunity to develop along constructive lines. We can provide substantial assistance. Nevertheless, the basic fact remains that, in our view, the ultimate responsibility must rest upon the German people themselves. As victors, we prefer to establish certain limits and suggest general patterns.

In the last analysis, it is the German people alone who can make effective our hope that they will rebuild their nation upon the principles expressed in the Charter of the United Nations, recognizing "the equal rights of men and women and of nations large and small". It is the profound hope of the United States that the Germany of the future will be a peace-loving nation, enjoying economic health and democratic political institutions.

Procedure for Filing War Claims in Luxembourg

[Released to the press March 2]

The Department of State has been informed by the American Legation at Luxembourg that American nationals may request the assistance of the Luxembourg Office of Recuperation with a view to recovering property which has been taken or is presumed to have been taken from Luxembourg territory during the war.

The Department has also been informed that, although Luxembourg legislation does not at the present time provide for compensation to nationals of the United States, the Luxembourg authorities will accept for registration war-damage claims of American nationals. These claims should be filed with the Office de l'État des Dommages de Guerre, 27 rue Aldringer, Luxembourg,

which office will provide the necessary forms. Residents and nonresidents may file claims using the English, French, or German languages. No time limit has been fixed within which claims must be filed.

The Department has been further informed that all transfers which were based upon confiscation, seizure, forced sale, or any other means have been declared null and void and that claims for the restitution of such property should be

filed with the Office des Sequestres, 19 rue du Nord, Luxembourg. In the event that office denies the validity of the claim, ordinary legal proceedings may be instituted against the Sequestre in the Tribunal d'Arrondissement (District Court) at Luxembourg, with the assistance of a member of the Luxembourg bar. The three-year limit within which such claims must be filed will begin to run with the coming into force of the German peace settlement.

Rumania Notified of Prewar Treaties U.S. Will Keep in Force or Revive

TEXT OF NOTE FROM THE AMERICAN MINISTER AT BUCHAREST TO THE RUMANIAN MINISTER FOR FOREIGN AFFAIRS

[Released to the press March 2]

The Department of State announced on March 2 that on February 26, 1948, the Rumanian Government was given official notification in accordance with the terms of the treaty of peace with Rumania signed at Paris February 10, 1947 regarding the prewar bilateral treaties and other international agreements with Rumania which the United States Government desired to keep in force or revive.

February 26, 1948.

I have the honor to refer to the Treaty of Peace with Rumania, signed at Paris February 10, 1947, which came into force, in accordance with the provisions of article 40 thereof, on September 15, 1947 upon the deposit of instruments of ratification by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Article 10 of the Treaty of Peace reads as follows:

"1. Each Allied or Associated Power will notify Roumania, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Roumania it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

"2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

"3. All such treaties not so notified shall be regarded as abrogated."

I have the honor, by direction of the Government of the United States of America and on its behalf, to notify the Rumanian Government, in

accordance with the provisions of the Treaty of Peace quoted above, that the Government of the United States of America desires to keep in force or revive the following pre-war bilateral treaties and other international agreements with Rumania:

Arbitration

1. Arbitration treaty. Signed at Washington March 21, 1929. Ratified by the United States June 4, 1929. Ratified by Rumania June 20, 1929. Ratifications exchanged at Washington July 22, 1929. Effective July 22, 1929. [Treaty Series 794; 46 Stat. 2336.]

Commerce

2. Provisional commercial agreement. Signed at Bucharest August 20, 1930. Effective September 1, 1930. [Executive Agreement Series 8; 47 Stat. 2593.]

Conciliation

3. Conciliation treaty. Signed at Washington March 21, 1929. Ratified by the United States June 4, 1929. Ratified by Rumania June 20, 1929. Ratifications exchanged at Washington July 22, 1929. Effective July 22, 1929. [Treaty Series 795; 46 Stat. 2339.]

Consuls

4. Consular convention. Signed at Bucharest June 5 and 17, 1881. Ratified by the United States April 6, 1882. Ratified by Rumania March 4, 1883. Ratifications exchanged at Bucharest June 13, 1883. Effective June 13, 1883. (Articles XI and XII, which were abrogated under Act of Congress approved March 4, 1915, are not to be considered as revived by this notification.) [Treaty Series 297; 23 Stat. 711.]

Extradition

5. Extradition treaty. Signed at Bucharest July 23, 1924. Ratified by the United States February 26, 1925. Ratified by Rumania February 24, 1925. Ratifications exchanged at Bucharest April 7, 1925. Effective April 7, 1925. [Treaty Series 713; 44 Stat. 2020.]

6. Supplementary extradition treaty. Signed at Bucharest November 10, 1936. Ratified by the United States May 19, 1937. Ratified by Rumania July 7, 1937. Ratifications exchanged at Bucharest July 27, 1937. Effective July 27, 1937. [Treaty Series 916; 50 Stat. 1349.]

Debt-Funding

7. Debt-funding agreement. Signed at Washington December 4, 1925. Effective as of June 15, 1925. [Combined Annual Reports of the World War Foreign Debt Commission (1927) 244.]

8. Agreement modifying the debt-funding agreement of December 4, 1925 (moratorium). Signed at Washington June 11, 1932. Effective as of July 1, 1931. [Published by the Treasury Department 1932.]

Narcotic Drugs

9. Arrangement for the direct exchange of certain information regarding the traffic in narcotic drugs. Effected by exchange of notes signed at Bucharest February 4, 1928 and April 17, 1929. Effective April 17, 1929. [Treaty Information Bulletin No. 5, July 1929, 2d supp.]

Passport Visa Fees

10. Agreement for the reciprocal reduction of passport visa fees. Effected by exchange of notes signed at Washington August 25, 29, and 30, 1939. Effective September 1, 1939. [Executive Agreement Series 197, 54 Stat. 2487.]

Postal

11. Agreement concerning the exchange of parcel post, and regulations of execution. Signed at Washington August 10, 1937 and at Bucharest March 12, 1937. Ratified by the United States August 20, 1937. Effective September 1, 1937. [Post Office Department Print; 50 Stat. 1630.]

12. Money order agreement. Signed at Washington October 18, 1932 and at Bucharest November 17, 1932. Effective January 1, 1933. [Not printed.]

Trade-Marks

13. Convention for the reciprocal protection of trademarks. Signed at Bucharest March 18 and 31, 1906. Ratified by the United States May 10, 1906. Ratified by Rumania June 20, 1906. Ratifications exchanged at Bucharest June 21, 1906. Effective "from the date of its official publication in the two countries"—article III. [Treaty Series 451; 34 Stat. 2901.]

It shall be understood that the reciprocal copyright arrangement between the United States and Rumania effected pursuant to the exchanges of notes signed at Bucharest May 13 and October 21, 1927 and at Washington May 12 and 19, 1928 and the Proclamation issued May 14, 1928 by the President of the United States of America will continue in force.

It is likewise understood, of course, that either of the two Governments may propose revisions in any of the treaties or other agreements mentioned in the above list.

Further, it shall be understood that any of the provisions in the treaties and other agreements listed in this notification which may be found in particular circumstances to be not in conformity with the Treaty of Peace shall be considered to have been deleted so far as application of the Treaty of Peace is involved but shall be regarded as being in full force and effect with respect to matters not covered by the latter treaty.

This notification will be deemed to be effective on the date of the present note.

In compliance with paragraph 2 of article 10 of the Treaty of Peace, quoted above, the United States Government will register with the Secretariat of the United Nations the treaties and other agreements which are by this notification kept in force or revived.

Time Limit Extended for Filing Claims in Austria

[Released to the press March 5]

The Department of State has been informed that the time limit for filing claims under the first, second, and third restitution laws in Austria is being extended to December 31, 1948. Until this extension, the time limit for such filing under the three restitution laws was set for the end of March 1948. Claimants will now have an additional nine months in which to file their claims.

On April 4, 1947, the Department announced the restitution program which the Austrian Government put into effect. At that time it was stated that claimants should deal directly with the appropriate Austrian authorities. If the claimant is unable to determine with which authorities to file, claims, together with supporting documents in the German language, may be sent to the Austrian Federal Ministry for Safeguarding Property and Economic Planning (Bundesministerium fuer Vermoegenssicherung und Wirtschaftsplanung) in Vienna.

According to recent information from Vienna, the implementation of the restitution program has been progressing in a satisfactory manner. Statistics submitted by the Austrian Government indicate, however, that all claims may not have been presented. The Department urges, therefore, that all persons who have claims falling within the purview of the first, second, and third restitution laws file them before December 31, 1948.

Grants-in-Aid Extended to Three U.S. Professors

Grants-in-aid have been extended by the Department of State to the following: Arthur M. McAnally, librarian of the University of New Mexico, to serve as visiting librarian at the University of San Marcos at Lima, Peru, for a period of seven months; A. C. Howell, professor of English, and James C. Andrews, professor of biological chemistry, both of the University of North Carolina, to teach at the University of San Carlos, Guatemala, for a period of six months; Ralph Hayward Keniston, professor of romance languages and dean of the College of Literature, Science, and the Arts, University of Michigan, to serve as a consultant at the National University, Mexico.

Air-Transit Agreement With Portugal Concluded

GENERAL STATEMENT

Another chapter in cooperation between the Portuguese and American Governments was opened in Lisbon on February 2, 1948, with the signing of an agreement on the continuation of facilities for the transit of American military aircraft through Lagens Airfield on Terceira Island in the Azores. Following several months of friendly negotiation between the Portuguese Minister for Foreign Affairs, Dr. José Caeiro da Matta, and Ambassador John C. Wiley, notes were exchanged on that date embodying a new agreement.

This new arrangement takes the place of the agreement of May 30, 1946.¹ That one, in turn, took effect at the expiration of an agreement made during the war for the joint construction and operation of a military airfield on Santa Maria Island in the Azores. The Azores were an im-

portant step in the system of communications linking the European theater of war with the United States and the Far East, and the facilities made available there to the American and British Governments were of invaluable assistance in the prosecution of the war. At an impressive ceremony on June 2, 1947, the Santa Maria Airfield was turned back to the full control of the Portuguese Government, and it is now a key point in the network of international civil aviation.

On the occasion of the conclusion of the new agreement of February 2, 1948, letters were also exchanged between the Portuguese Foreign Minister and the American Ambassador, stressing the close ties existing between the two Governments and the desire of both Governments to continue to work in close collaboration in building the peace.

The texts of the documents exchanged on February 2 follow.

CORRESPONDENCE RELATING TO AGREEMENT

[Released to the press February 13]

Note from the Portuguese Minister for Foreign Affairs to Ambassador Wiley

February 2, 1948.

MR. AMBASSADOR:

I have the honor to communicate to Your Excellency that the request of the Government of the United States relative to the continuance of transit facilities granted to American aircraft under the agreement of May 30, 1946 has been considered attentively and in the most friendly spirit. The Portuguese Government believes that the following formula will give satisfaction to the interests in question:

I.

The Government of Portugal and the Government of the United States:

Considering that the facilities granted for the transit of American aircraft servicing the occupation troops in Germany and Japan terminated on December 2, 1947 under the terms of the agreement of May 30 of the preceding year;

Considering the manifest utility to the Government of the United States, given its international responsibilities with which at the moment it is burdened, in continuing the transit through Lagens of the referred to aircraft;

Having in mind the advantages which those facilities will achieve for the security of Europe and for the reestablishment and consolidation of world peace as well as the indirect value which the same may bring about for the common defense and security;

Examining the execution of the program agreed upon for the carrying out of the May 30 agreement between the Portuguese military authorities and the ATC Command in the Azores;

Agree:

That the Portuguese Government will continue to grant to the Government of the United States transit facilities for American aircraft through Lagens aerodrome in the following terms:

(a) The granting of facilities refers to a period of three years beginning December 2, 1947 tacitly extendable from year to year for two years more, if not denounced by the Portuguese Government with three months' notice. The Government of

¹ BULLETIN of June 23, 1946, p. 1082.

the United States may denounce the agreement and relinquish the facilities at any moment.

(b) There shall not be due for the utilization of the aerodrome and of the various installations the payment of any tax or rental and for the purpose of customs and other facilities the special character of the aircraft in transit will be respected. The Government of the United States will, however, be responsible for the expenses which may have to be made for those improvements of the aerodrome which are not necessary for the utilization by the Portuguese services as well as the replacement if necessary of deteriorated installations which are destined to the services or living quarters of its personnel, it being understood that all constructions shall be immediately considered property of the Portuguese Government.

(c) The Government of the United States will continue to furnish the necessary facilities for the apprenticeship and training of Portuguese personnel having in mind the perfect functioning of the services of the air base including those utilized by the ATC during the three year period mentioned in Paragraph A, as well as the acquisition by the Portuguese Government of material deemed indispensable for the services of the base.

(d) The special conditions of a technical nature necessary for the carrying out of the present agreement will be stipulated between the Portuguese military authorities and the ATC Command at Lagens and will be subject to confirmation of the Ministry of War in Lisbon, as well as a periodic revision at the request of either of the parties. It is understood, however:

1. The personnel of American nationality normally in service may not exceed the minimum reached during the last 12 months, except in case of emergency or extraordinary military measures communicated as far as possible in advance to the Portuguese Government and there then can be authorized the entry and utilization of personnel necessary to the anticipated traffic.

2. Among the material the acquisition of which will be facilitated, the material needed for the new control tower will be given urgent consideration.

3. There may be authorized the residence in Praia da Victoria of persons of the families of the personnel on service and there will be granted as a consequence of this authorization the necessary facilities.

(e) The Portuguese Government reserves the right to grant the Government of Great Britain transit facilities analogous to those mentioned in this agreement.

In case the Government of the United States accepts the formula mentioned above, the affirmative reply of Your Excellency will constitute with this the agreement of the two Governments con-

cerning this matter, which will enter into force together with the arrangements contemplated in item (d) above.

CAEIRO DA MATTA

Ambassador Wiley replied to the foregoing note on the same date accepting the formula mentioned therein.

Note from the American Ambassador to the Portuguese Foreign Minister

February 2, 1948.

EXCELLENCY:

I have the honor to inform Your Excellency that the Government of the United States of America has long recognized and appreciated the whole-hearted desire of the Government of Portugal to cooperate and participate in the maintenance of international peace and security and the reconstruction of Europe. During the war the Portuguese Government granted the United States Government the use of important facilities on Santa Maria Island in the Azores which constituted an extremely valuable contribution to the war effort of the United Nations. Since the expiration of this wartime agreement, the United States Government has continued to receive the full cooperation of the Portuguese Government in providing for transit facilities at Lagens airfield in the Azores for United States aircraft serving the American forces of occupation in Germany and Japan.

The responsibilities of the United States to the nations of the world for the occupation of the ex-enemy nations still continue. Therefore, acting under instructions, I wish to take this opportunity to express to Your Excellency the warm appreciation of my Government for the enlightened spirit of international cooperation which has motivated the Government of Portugal in concluding with the Government of the United States the new agreement announced today.

The conclusion of this agreement demonstrates once more the increasingly close ties existing between our two governments and peoples. I am confident that, animated by the noble principles which traditionally guide our two nations, we will continue to work in close and friendly collaboration in building the peace.

I avail myself [etc.]

JOHN C. WILEY

Note received February 7 from the Portuguese Foreign Minister to the American Ambassador

MR. AMBASSADOR:

I have the honor to refer to the note which Your Excellency so kindly delivered to me on the occasion of the conclusion of the agreement which ex-

tended for a new period the transit facilities through Lagens granted to American aircraft.

The expressions of friendship addressed to the Portuguese Government are all the more appreciated when it is realized that they are inspired by a perfect understanding of the spirit which predominated in the agreement we have just concluded.

For its part, the Portuguese Government has duly appreciated the efforts and sacrifices which the American Government and people have made and continue to make in the pursuit of European security and reconstruction and for the consolidation of peace; and insofar as the collaboration of Portugal towards the realization of that common aspiration is concerned, my country has always considered, and will continue to consider, that the United States, with its power for order and merited prestige, is in the vanguard of the nations which are endeavoring to secure for mankind a future of dignity, tranquility and well-being.

Standing close in the vast field of world problems, it is with gratification that I express the hope that the United States and Portugal, while progressively cementing a friendship which will be most helpful in the attainment of their respective destinies, will at the same time furnish an unequivocal example of international cooperation based on principles of mutual respect which are so necessary to the objectives of peace.

U.S. Accepts Membership in the Caribbean Commission

[Released to the press March 5]

The President signed on March 5 the joint resolution (H.J. Res. 231) authorizing membership by the United States in the Caribbean Commission and the instrument approving, on behalf of the United States Government, the agreement for the establishment of the Caribbean Commission. Accordingly, the Secretary of State is taking steps to notify the other member governments (France, the Netherlands, and the United Kingdom) of this Government's formal approval of the agreement.

Purpose and Activities

The Caribbean Commission is an advisory body which makes recommendations to the member governments on economic and social matters of common interest to the territories of the Caribbean area, particularly on agriculture, communications, education, fisheries, health, housing, industry, labor, social welfare, and trade. This purpose is in accordance with the declaration regarding non-self-governing territories contained in chapter XI of the Charter of the United Nations.

Again expressing my thanks for the courteous terms of the communication to which I am replying, I would ask Your Excellency to be the interpreter near your government of the spirit of appreciation and friendship with which that communication was received by the Portuguese Government.

CAEIRO DA MATTA

U.S. Accords Recognition to Siamese Government

[Released to the press March 6]

The American Ambassador at Bangkok, by an exchange of letters with the Minister of Foreign Affairs on March 6, accorded recognition to the Siamese Government. It is understood that similar letters were exchanged with the Minister of Foreign Affairs by other foreign diplomatic and consular representatives at Bangkok.

It may be recalled that the previous regularly constituted Government was overthrown by a *coup d'état* on November 8, and that until the present an interim government has functioned without diplomatic recognition. Elections were held early in February and a new Parliament was called into being. Khuang Aphaiwong was designated Prime Minister by the King, and his Government received a vote of confidence on March 5.

The Caribbean Commission has evolved from the Anglo-American Caribbean Commission which was established by agreement of the two Governments on March 9, 1942. During the war period the Anglo-American Caribbean Commission was instrumental in improving a food situation which had grown desperate in the Caribbean as a result of the menace of submarine warfare and in establishing a schooner pool to carry essential supplies when ordinary transportation routes had been disrupted. The Anglo-American Caribbean Commission also sponsored a joint radio program to bolster morale in the region and to educate the population in the use of locally grown foodstuffs. The Commission was further responsible for the establishment of a medical center which substantially reduced the incidence of venereal diseases in the area.

The Commission's membership was enlarged in 1945 to include France and the Netherlands. The agreement of October 30, 1946, for the establishment of the Caribbean Commission, which the United States Government has now approved, formalized this expansion in membership and rede-

fined the Commission's scope and functions. The Caribbean Commission now includes within its scope 15 territories with a total of nearly six million inhabitants, two of which, Puerto Rico and the Virgin Islands of the United States, are under the administration of the United States.

Since the war the Commission has been able to turn its attention from emergency projects to long-term problems in the economic and social field. Among the activities in which the Caribbean Commission is currently engaged is a survey of the industry resources and potentialities of the territories of the region.

The experience gained by the Caribbean Commission was drawn upon by delegates to the South Seas Conference in Canberra, Australia, in February 1947, in drafting the agreement establishing the South Pacific Commission.

Structure of the Commission

The Caribbean Commission, which meets twice annually, is composed of 16 commissioners, of whom four are designated by each member government. The four United States commissioners are Charles W. Taussig, Co-Chairman of the Commission and adviser to the Secretary of State on Caribbean Affairs; Dr. Rafael Picó, Chairman of the Puerto Rican Planning, Urbanizing, and Zoning Board; William H. Hastie, Governor of the Virgin Islands of the United States; and Jesús T. Piñero, Governor of Puerto Rico. The four United States commissioners are assisted by a working staff within the Department of State. The Central Secretariat of the Caribbean Commission is located at Port-of-Spain, Trinidad. Lawrence W. Cramer, an American citizen and a former Governor of the Virgin Islands of the United States, is the Secretary-General of the Commission.

The proportionate share of the total expenses of the Caribbean Commission allocated to each member government is calculated according to a method whereby one third of the cost is apportioned in equal shares, one third on the basis of the population of the member government's territories in the area, and one third on the basis of the member government's national income. The United States in 1947 contributed \$140,000, which sum represents its allotted share of 38.4 percent of the expenses of the Commission.

Auxiliary Bodies

The agreement provides for two auxiliary bodies to the Commission: the West Indian Conference and the Caribbean Research Council.

The West Indian Conference, which meets biennially in the region, furnishes a regular means of consultation among the governments and peoples of the territories. Each of the terri-

ories within the Commission's scope is entitled to send two delegates to the Conference and these are designated in accordance with the particular territory's constitutional procedure. The conference held sessions in Barbados in 1944, in St. Thomas in 1946, and the third session is scheduled to be convened in Guadeloupe toward the end of 1948.

The Caribbean Research Council fosters a regional approach to research and advises the Commission on scientific, technological, social, and economic problems. Members of the Council are appointed by the Commission with special regard to their scientific competence.

Relations With Other International Bodies

While the Commission has at present no organic relationship with the United Nations, the agreement provides that the Commission and its auxiliary bodies shall cooperate as fully as possible with the United Nations and with appropriate specialized agencies on matters of mutual concern within the terms of reference of the Commission. Cooperation between the Commission and the United Nations has been established at the secretariat level.

THE DEPARTMENT

Confirmation of George V. Allen

The Senate on February 25, 1948, confirmed the nomination of George V. Allen to be Assistant Secretary of State for public affairs.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Second Year of the United Nations: The Role of the United States. International Organization and Conference Series III, 3. Pub. 3072. vi, 10 pp. Free.

Excerpts from *The United States and the United Nations: Report by the President to the Congress for the year 1947* (Department of State publication 3024).

Sovereignty and Interdependence in the New World: Comments on the Inter-American System. Inter-American Series 35. Pub. 3054. 32 pp. Free.

An article by William Sanders describing various phases of inter-American cooperation as it has developed during the past 60 years.

An International Bill of Human Rights. International Organization and Conference Series III, 2. Pub. 3055. 30 pp. Free.

An article by James P. Hendrick giving the background work and plans for further progress in preparing an international bill of rights.

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THE UNITED STATES RECIPROCAL TRADE-AGREEMENTS PROGRAM AND THE PROPOSED INTERNATIONAL TRADE ORGANIZATION

An Article

Introduction

The economic foreign policy of the United States is aimed at expansion of trade between nations on a reciprocal and mutually advantageous basis. It is designed to help: (a) increase employment; (b) increase the production, exchange, and use of goods and services; (c) raise living standards in all countries; (d) eliminate trade causes of international friction and hostility; and (e) create economic conditions in the world that will be conducive to the maintenance of world peace.

As evidence of its belief in the importance of this policy, the United States has taken action in a number of important directions. Since 1934 this country has carried on a well-organized program for reciprocal reduction of tariff and other barriers to our trade with foreign countries by agreements with them. This Government is also negotiating numerous treaties of friendship, commerce, and navigation with other countries. The United States has taken a leading part in establishing the Food and Agriculture Organization, the International Monetary Fund, and the International Bank for Reconstruction and Development. To assure the minimum economic and political conditions under which these international organizations can effectively operate and under which our long-range foreign policy can be successfully implemented is the purpose of the Marshall Plan.

Development of the Reciprocal Trade-Agreements Program

Between the two world wars, especially during the depression, practically all governments applied rigid foreign-trade controls. These controls were usually designed to restrict imports into their countries and, at the same time, to force domestic products into foreign markets regardless of supply and demand or the effects on other countries. Some countries took this course because of necessity or fear of another war. Some followed this course through mistaken ideas of nationalistic self-sufficiency and prosperity. A few were delib-

erately bent on economic and political aggression and domination.

The measures which were employed included exchange restrictions, bilateral and discriminatory trade-balancing agreements, tariff and other trade preferences, excessively high import duties, and export subsidies designed to dump surplus goods abroad. They amounted to an international trade war.

Up to about 1928 the American Government and American investors made extensive foreign loans, some of them unwise. Meanwhile, United States tariff policy (in 1921 and again in 1922 the United States raised its tariffs against imports) was making it practically impossible for many foreign borrowers to repay the loans fully through sales of their goods and services in the United States. In 1930 the United States raised its import duties to record levels, through passage of the Hawley-Smoot Tariff Act of 1930.

As a result of this action and other causes, the annual value of United States foreign trade fell from \$9,640,000,000 in 1929 to \$2,934,000,000 in 1932—a drop of more than two thirds. Many American export industries were shut down and many American workers joined the bread lines. American crop surpluses broke down the home markets. American producers of automobiles, machinery, petroleum products, pork, wheat, cotton, tobacco, fruit, and many other important products were hard hit by the loss of foreign markets. Unemployed workers and struggling farmers dropped out of the domestic market. The same thing was happening in foreign countries. The world-wide depression was intensified and prolonged by the collapse of international commerce.

Passage of the Trade Agreements Act in 1934

In 1934 Congress passed the Trade Agreements Act—since renewed four times—for the purpose of restoring lost foreign markets for American products.

The act authorizes the President to conclude trade agreements with foreign countries and, in

return for reduction of their barriers against American goods, to reduce United States tariffs and other import restrictions on goods from abroad. Since high trade barriers hinder this exchange of goods, it is obvious that other countries can and will buy and pay for more American goods if they can sell more of their own in this country.

The act requires the President to obtain advice and assistance for certain specified government agencies in formulating the agreements. The 1934 act specified the Departments of State, Agriculture, and Commerce, and the Tariff Commission. That act also forbade the reduction of any United States tariff in a trade agreement by more than one half of the rate in effect when the act was passed. The initial term of each agreement is fixed at not more than three years, after which the agreement remains in effect unless either country terminates it on six months' notice.

A very important provision of the act specifies that interested persons or groups shall have full opportunity to present information and views on any agreement before it is concluded. This provision is carried out under Executive orders of the President (see page 5). The duration of the authority given to the President in the 1934 act was limited to three years from June 12, 1934. In 1937 Congress extended this authority for another three-year period; in 1940 for another three years; in 1943 for two years; and in 1945 for three years, or until June 12, 1948.

Renewal and Expansion of the Act in 1945

In extending and amending the act in 1945, Congress enlarged the authority of the President to modify United States tariffs and other important restrictions. Under the amended act he may reduce a tariff rate by not more than one half of the rate in effect on January 1, 1945. Thus an original rate which had been reduced before January 1, 1945, may now be further reduced in a trade agreement by not more than one half of the January 1, 1945, level, but an original rate which had not been reduced before January 1945, may only be reduced by not more than one half of the rate in effect when the act was passed in 1934.

For example:

If the rate in effect in 1934 were	\$1.00 per unit
And if the rate was reduced by one half before January 1, 1945, on that date it would be . . . . .	.50 per unit
It could be reduced, in a future trade agreement, by one half of 50 cents per unit, to . . . . .	.25 per unit

However:

If the 1934 rate of	1.00 per unit
Had not been reduced at all before January 1, 1945, it would remain, on that date, at	1.00 per unit
And could be reduced, in a future trade agreement, only by one half of \$1.00 to . . . . .	.50 per unit

The 1945 amendments to the act furthermore added the War and Navy Departments to the list of Government agencies which the President is required to consult before concluding an agreement.

Why Congress Increased Authority in 1945

The chief "bargaining power" through which the United States induces other countries to lower their barriers against United States exports lies in the authority to bind against further increase or to reduce United States tariffs—which are the principal American restrictions on international trade—in return. In the agreements made before the act came up for renewal in 1945 the United States had used up much of this bargaining power. United States tariffs on a large proportion of this country's imports from the 28 trade-agreement countries had been reduced to the full extent permitted in the 1934 act.

In trade agreements concluded before January 1, 1945, and on the basis of the value of United States imports in 1939, United States tariff rates had been reduced by the full 50 percent permitted under the 1934 act on 42 percent of dutiable United States imports. On 20 percent the rates had been reduced by less than the permissible 50 percent. On the remaining 38 percent the rates in effect on June 12, 1934, had not been reduced and were still in effect on January 1, 1945.

While comparable foreign concessions had been obtained, there still remained many burdensome foreign barriers which United States exporters wished to see reduced or eliminated. United States import duties on many needed items were, furthermore, still high.

By authorizing the President to reduce tariff rates by as much as 50 percent of the rates in effect on January 1, 1945, the Congress made it possible to offer still further reductions in United States trade barriers in return for reductions in foreign barriers and thus added to the bargaining power of this Government in trade-agreement negotiations.

How Trade Agreements Are Made

The trade-agreements program is administered through an interdepartmental organization representing the Government agencies concerned with the commercial foreign policy of the United States.

Trade Agreements Committee. The Trade Agreements Committee advises and assists the President in formulating and negotiating trade agreements. The Committee must include representatives of all the agencies which the President is required to consult, as well as the Department of Labor and the Department of the Treasury, which administers the United States customs laws. From time to time the representatives of other

Government agencies are consulted in matters of particular interest to their agencies.

The Committee directs and coordinates the extensive technical studies and analyses of information—obtained from official sources and from the public—which are required in formulating the provisions of an agreement. It recommends to the President, through the Secretary of State, the terms which would be desirable in any agreement under consideration. This is done before final negotiations are undertaken.

The Trade Agreements Committee sets up country committees of experts from the interested agencies to study all aspects of the trade between the United States and the country or countries with which a trade agreement is under consideration. These country committees make recommendations to the Trade Agreements Committee with regard to concessions which might be sought from the other country or countries for the benefit of American export trade and with regard to concessions which the United States might offer in return.

The recommendations of the Trade Agreements Committee, if approved by the Secretary of State and the President, become the basis of negotiations between the United States and the other country or countries concerned. The United States negotiators are not permitted to offer greater concessions than are recommended by the Trade Agreements Committee and approved by the Secretary of State and the President.

If the American negotiators can obtain adequate foreign concessions in return for those offered by the United States, a trade agreement is concluded and signed by the negotiators and proclaimed by the President.

Committee for Reciprocity Information. To fulfil the provisions of the Trade Agreements Act with regard to opportunity for interested persons to present information and views on proposed agreements, the President set up the Committee for Reciprocity Information, which receives such views and information, analyzes them, and presents them to the trade-agreements organization which prepares the recommendations on the proposed agreement.

The Committee for Reciprocity Information includes representatives appointed by the heads of the Departments of State, Agriculture, Commerce, Treasury, War, and Navy, and the Tariff Commission. The Secretary of State may designate other agencies to be represented on the Committee. Most of the individual members of the Committee for Reciprocity Information are also members of the Trade Agreements Committee.

The Committee receives briefs and written statements and holds public hearings on proposed agreements before final negotiation begins. It also, at any time, holds consultations and informal conferences with businessmen and others and

receives written statements on any phase of the trade-agreements program.

The information and views of interested persons received through the Committee for Reciprocity Information are analyzed and studied by the interdepartmental trade-agreements organization along with data developed through official studies before final recommendations are made by the Trade Agreements Committee.

Public Notice, Hearings, and Lists of Possible Concession Products. The Secretary of State is required to give public notice of intention to negotiate a trade agreement not less than 30 days before the agreement is concluded. Actually, much longer notice is given. At the same time that the Secretary of State issues this public notice, the Committee for Reciprocity Information announces the closing date for receiving written statements on the proposed agreement and the date for opening public hearings on it.

Simultaneously, there is published a list of all United States import commodities on which United States tariff concessions will be considered in the negotiations. The fact that a given commodity appears on this list does not necessarily mean that a United States tariff concession on it will be made. Decisions on concessions are reached only after the studies and hearings have been completed, after the President has approved the recommendations, and after negotiation has determined that adequate foreign concessions can be obtained in return.

Provisions of Trade Agreements

“Tariff concessions” in trade agreements may take the form of reductions in import duties, the guaranteeing or “binding” of such duties against increase during the life of the agreement, or the “binding” of a free-list item against imposition of an import duty during the life of the agreement.

In addition to commitments with regard to tariffs on imports or exports, trade agreements contain provisions for reduction or elimination of other forms of import restrictions such as quotas. They likewise provide for reduction or elimination of trade discriminations such as tariff preferences and assurances against imposition of discriminatory taxes or other regulations on imported products.

Each new trade agreement signed by the United States must contain a commitment that, in import matters, each government will treat the goods of the other no less favorably than it treats the goods of any third country. This commitment puts into effect what is called the “most-favored-nation” principle.

In addition, each future agreement must also include a clause providing that the United States shall be free to withdraw or modify a concession made with respect to any particular article to the

extent and for such time as may be necessary to protect against any unforeseen situation threatening injury to producing interests which may develop as a result of a concession made by the United States.

Trade agreements also contain other so-called escape clauses or exceptions which permit each contracting country, for reasons of security, protection of health, or other specified purposes, to take measures which might otherwise be in conflict with the letter of the agreement.

Agreements Concluded Up to October 1947

On October 30, 1947, the General Agreement on Tariffs and Trade (see page 13) was signed at Geneva. Up to October 30, 1947, trade agreements had been concluded between the United States and 29 foreign countries. Following is a list of the countries and of the dates of signing and of coming into effect of the agreements:

Country	Signed	Effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Brazil	Feb. 2, 1935	Jan. 1, 1936
Belgium (and Luxembourg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 3, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Colombia	Sept. 13, 1935	May 20, 1936
Canada (superseded)	Nov. 15, 1935	Jan. 1, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
The Netherlands	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Nicaragua ¹	Mar. 11, 1936	Oct. 1, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France	May 6, 1936	June 15, 1936
Finland	May 18, 1936	Nov. 2, 1936
Costa Rica	Nov. 28, 1936	Aug. 2, 1937
El Salvador	Feb. 19, 1937	May 31, 1937
Czechoslovakia ²	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938
United Kingdom	Nov. 17, 1938	Jan. 1, 1939
Canada (second agreement)	Nov. 17, 1938	Jan. 1, 1939
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (first supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary fox-fur agreement) ³	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (second supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	June 28, 1944
Iceland	Aug. 27, 1943	Nov. 19, 1943
Paraguay	Sept. 12, 1946	Apr. 9, 1947

¹ The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

² The operation of this agreement was suspended as of Apr. 22, 1939, and terminated on July 5, 1945.

³ This replaced a previous supplementary agreement relating to fox furs, signed on Dec. 30, 1939, and was terminated on May 1, 1947.

Results in Terms of Trade Expansion

Before World War II and the preparations for it had wholly dislocated world trade, the trade-agreements program had shown significant results in the expansion of United States foreign trade, especially with trade-agreement countries.

The annual averages for the two years, 1938 and 1939, as compared with the averages for the two years, 1934 and 1935, show that United States exports to trade-agreement countries increased 63 percent as against an increase of only 32 percent in exports to nonagreement countries. For the same periods United States imports from trade-agreement countries increased 27 percent as against an increase of only 12½ percent in imports from nonagreement countries. Total United States foreign trade averaged 30 percent higher in the latter period than in the former.

Other recovery factors undoubtedly played important parts in this increased trade, but it is certain that reciprocal reduction of trade barriers between the United States and the agreement countries contributed materially to the special gains in trade with them.

After World War II

The world economic and trade situation at the end of World War II was chaotic. Many of the nations most important in United States foreign trade had suffered devastation of their industry and agriculture or wholesale conversion to war purposes. Their capital structure was wrecked, their manpower reduced, and their assets lost.

There was an acute lack of most products in terms of accumulated demand, and production returned very slowly to prewar levels in both Europe and Asia. Serious bottlenecks in particular key products and raw materials and very unfavorable climatic conditions retarded production still further. Inflationary tendencies spread throughout the world.

Countries with previous high standards of living became increasingly unable to buy basic commodities such as wheat and coal, not to mention steel and machinery to rebuild their industries. The supply of American dollars with which to buy these products got smaller and smaller despite UNRRA contributions, sale of foreign assets in the United States, and large American loans. Higher American prices cut the value of the loans, and countries like England and France faced more austere diets than during the darkest periods of the war.

Countries in the Western Hemisphere and elsewhere which suffered little physical damage had nevertheless seen their normal sources of vital imports cut off and their normal foreign markets destroyed. Many of them had set up industries to produce goods which they had formerly im-

ported, although domestic production of these goods was low in efficiency and high in cost. Prices also rose in these countries.

World-Wide Trend Toward Trade Restrictions

Under these conditions most nations tended to retain and intensify rigid wartime trade controls and also to resort to discriminatory bilateral deals—some of them on a barter basis. Their governments limited foreign purchases to the goods most urgently needed. Such foreign exchange as they could obtain was strictly controlled and reserved for the purchase of essentials from abroad. Import quotas, import licensing systems, and exchange controls were imposed. War-born “infant industries” established vested interests and demanded protection against imports, regardless of their own less efficient and more costly production.

Dependence of the United States on Foreign Markets

At the same time, the United States industrial and agricultural plant was vastly expanded as a result of the war. Agricultural production in 1946 was almost a third larger than during the 1935–39 period and the Federal Reserve Index for February 1947 showed that the physical volume of manufacturing production, as a whole, is almost double that of the 1935–39 period. In general, moreover, the increase in the production of goods which have been exported in large amounts in the past was relatively much greater—for machinery, $1\frac{3}{4}$ times the 1935–39 period, for transportation equipment, $1\frac{1}{3}$, and for rubber products, almost $1\frac{1}{2}$. Our expanded agricultural and industrial system is selling much larger amounts abroad than in prewar years. The temporary reductions in exports of a few of these products might reduce some inflationary pressures within the United States, but in the long run, such a course would prove disastrous. Foreign markets, on a sound commercial basis, are of crucial importance to the American economy as a whole. Disappearance of these markets would soon result in a surplus of many products, serious price declines for certain key commodities, and eventual unemployment in some of our most efficient industries.

The Marshall Plan

Present critical circumstances, both economic and political, necessitate large-scale measures of assistance merely to assure the continued existence of our largest customers in Europe as going concerns. The economic dislocations in Europe and throughout the world have proved to be far more severe than was at first realized, and European economic recovery will be a long and difficult problem. The interim-aid bill passed by Congress on December 16, 1947, and the European Recovery

Program (Marshall Plan) are primarily concerned with the immediate problem of economic relief and reconstruction over the next four years with the chief emphasis on certain European countries. This assistance toward recovery, important as it is, could be ineffectual unless world trade in the next four years expands to the point where these countries are able to sell their own goods and services abroad in sufficient amounts to pay for the imports they need and desire. Consequently, in American self-interest the long-run trading policies of the United States and the rest of the world must provide the best possible conditions for a revival of international trade. The maze of restrictions, bilateralism, and discriminations must be eliminated so that trade may flow more freely. Unless decisive action is taken now, current restrictive and discriminatory practices could easily develop into a mold too hard to break after the emergency has lessened.

The Long-run Program

The United States has, consequently, been developing a program, concurrently with the European Recovery Program, to implement its long-run policy. This program stems from the reciprocal trade-agreements program but is broader and more comprehensive. Nevertheless, the new program will have the same elements of caution, reciprocal advantage, careful analysis, and assurances of the welfare of the American economy which have characterized the reciprocal trade-agreements program in the past.

The program now under way will consist of concrete steps toward realizing United States ideas of a world-wide system of international commercial relationships which will help to make possible greater production, exchange and use of goods, increased employment, and higher living standards in all countries, as an economic foundation for world peace and security.

United States Proposals for World Trade Expansion

At the same time that the United States was participating in setting up the United Nations structure, our experts were engaged on concrete plans for multilateral expansion of world trade and, after two years of work, published in 1945 our *Proposals for Expansion of World Trade and Employment*.¹

These *Proposals* suggested the establishment of an International Trade Organization to coordinate and assist the cooperative efforts of member countries to improve their economic positions by facilitating international commerce. They also laid down certain principles which the United States believed should underlie such efforts. These principles related chiefly to relaxation and re-

¹ Department of State publication 2411.

removal of governmentally imposed trade restrictions and discriminations, to curbing trade barriers created by private combines and cartels, to remedying disorder in world markets for certain primary commodities, and to reducing irregularities in employment and production.

Suggested Charter for an International Trade Organization

The United States *Proposals* were published in this country and sent to foreign governments as a basis for discussion. The United Kingdom, France, and other countries declared their agreement with all important points in the *Proposals* and their willingness to support them in international discussions. The *Proposals* were then spelled out and elaborated in the *Suggested Charter for an International Trade Organization of the United Nations*,² also prepared by United States Government experts in the form of an international agreement or convention.

Preparatory Committee of United Nations Conference on Trade and Employment

In February 1946, the Economic and Social Council of the United Nations resolved to call the United Nations Conference on Trade and Employment to consider the establishment of such an agency as the United States had suggested. The Council set up a Preparatory Committee composed of 19 nations (Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, Union of Soviet Socialist Republics³, United Kingdom, and the United States) to arrange for such a conference, prepare an agenda for it, and draft a charter for the proposed organization to be considered at the international conference.

This Preparatory Committee opened its work at London in October 1946, with both the United States *Proposals* and the United States *Suggested Charter* as basic working documents. A drafting committee of the Preparatory Committee met in New York during January and February of 1947 and made further modifications in the proposed charter. The United States Government held public hearings on the draft charter in seven cities during February and March 1947 and asked for criticisms and suggestions. Most of the points raised at these hearings were incorporated in the final draft completed by the Preparatory Committee at Geneva after continuous meetings commencing in April and terminating at the end of

August. The draft charter for an International Trade Organization was submitted to the United Nations Conference on Trade and Employment which convened at Habana on November 21, 1947.

Main Points of the Draft Charter

The charter is a voluntary agreement among nations, its effectiveness depending entirely on the willingness of signatories to live up to obligations freely assumed and to proceed jointly through parallel national action against a signatory which violates the commitments.

Member nations would undertake to:

(1) Maintain productive employment and buying power within their own borders as a means of stimulating trade and to do so without injury to each other's economies.

(2) Encourage private and public international investment by subscribing to a code of principles and to recognize the need for economic development in less developed areas of the world.

(3) Negotiate for the reduction of all types of trade barriers.

(4) Eliminate discrimination in international trade except under certain limited circumstances.

(5) Conduct international trade between private enterprise and public enterprise according to principles of nondiscrimination and fair dealing.

(6) Curb and regulate within their own jurisdiction monopoly operations which limit production, set prices, allocate markets, or otherwise restrain and minimize the production, distribution, and consumption of goods.

(7) Accept a code of principles to govern the formation and operation of intergovernmental commodity agreements.

The charter also outlines the structure and functions of the proposed International Trade Organization. The Organization would have a conference, an Executive Board, a tariff committee, a Director General and staff, and such commissions as shall be established by the Conference. The Organization would be brought into relationship with the United Nations as one of the specialized agencies mentioned in the Charter of the United Nations.

General Agreement on Tariffs and Trade

On November 10, 1946, the Acting Secretary of State, in accordance with the procedures established under the Trade Agreements Act and various Executive orders, gave public notice of intention to negotiate with 18 nations for a reciprocal trade agreement involving reductions of trade barriers and elimination of trade discriminations. These nations were the same countries⁴ which the Economic and Social Council of the United Nations had named as members of the Preparatory

² Department of State publication 2598.

³ Although a member, the Union of Soviet Socialist Republics has not participated in the work of the Preparatory Committee.

⁴ The Union of Soviet Socialist Republics did not participate in the tariff and trade negotiations.

Committee to arrange for the proposed Conference on Trade and Employment and to draft a charter for the proposed International Trade Organization.

Past trade-agreement procedure was followed in the negotiation of the General Agreement on Tariffs and Trade with only such modification as was required by the fact that several countries were involved. The President sought advice and assistance from the interdepartmental trade-agreements organization. No United States tariff rate was reduced in the negotiations by more than one half of the rate in effect on January 1, 1945. No tariff concessions were considered on products which did not appear on the lists of products made public in November 1946 well in advance of the public hearings which opened on January 13, 1947, in Washington, D.C. Negotiations commenced at Geneva on April 10, 1947, and were concluded the following October.

Results of the Tariff Negotiations

The General Agreement on Tariffs and Trade represents the most comprehensive action ever undertaken for the reduction of barriers to international trade. It covers more than 45,000 items and accounts for two thirds of the import trade of the negotiating countries and for substantially half of total world imports. All concessions granted in this agreement by any one country become available to all other signatory countries. The concessions include the complete elimination of certain duties and preferences, reductions of duty and preference, the binding of duties at existing levels, and the binding of duty-free treatment.

The general provisions of the agreement are comparable to the general provisions of past reciprocal-trade agreements and are necessary to safeguard and make more effective the tariff concessions. The provisions of the General Agreement have been adapted to present conditions and to the fact that this is an agreement among several countries rather than merely between two countries.

The concessions made by other countries at Geneva cover almost all important United States export products. In return, the United States made concessions to other countries on products accounting for around three quarters, by value, of United States imports in 1939. On nearly three quarters, by value, of the United States imports covered by the agreement, the United States concessions consisted of binding the already existing tariff rates or duty-free status of the products.

The agreement was put into effect provisionally on or before January 1, 1948, by Australia, the Belgium-Netherlands-Luxembourg Customs Union, Canada, Cuba, France, the United Kingdom, and the United States. Other participating countries have until June 30, 1948, to accept provision-

ally the agreement in accordance with procedures required by their constitutions or laws. Since a number of countries did not put the agreement into force on January 1, 1948, this Government has exercised its right under the agreement generally to withhold concessions which are of primary interest to those countries which were represented at Geneva until they have put their new tariff schedules into effect.

The agreement will enter definitively into force upon deposit with the Secretary-General of the United Nations of formal acceptances on behalf of countries making up 85 percent of the foreign trade of all negotiating countries. The general agreement is accompanied by supplemental agreements between the United States and Belgium-Luxembourg, Canada, France, the Netherlands, and the United Kingdom suspending the existing trade agreements which the United States has with those countries, and similar provisions were contained in an exclusive supplementary trade agreement between the United States and Cuba.

Relationship of the General Agreement to the International Trade Organization

The General Agreement on Tariffs and Trade is a concrete indication on the part of the major trading nations of the world in advance of the United Nations Conference on Trade and Employment at Habana, that the commitment in the draft charter to negotiate toward the substantial reduction of tariffs and other trade barriers and elimination of preferences can be implemented. It proves the willingness of these important countries to start together on the long road back to economic sanity in international relations. It is significant evidence that the principles of the charter can become not mere words but the guides and signposts toward a more rational world.

Addresses on World Trade and Reciprocal Trade-Agreements Program

On March 15 Assistant Secretary Thorp made an address on world trade and European recovery before the World Trade Conference in Pittsburgh, Pa.; for the text of this address, see Department of State press release 197 of March 15, 1948.

On March 12 C. Tyler Wood, Deputy to the Assistant Secretary for economic affairs, made an address on the International Trade Organization and the reciprocal trade-agreements program before the New Jersey Forum on the United Nations in Newark, N. J.; for the text of this address see Department of State press release 193 of March 12, 1948.

Cool Judgment Urged in Solving World Crisis

BY GEORGE C. MARSHALL¹

Secretary of State

The world is in the midst of a great crisis inflamed by propaganda, misunderstanding, anger, and fear. At no time has it been so important for cool judgment, for an appeal to one's self for a proper sense of justice, for a realization of conditions—material, political, and spiritual—in other parts of the world. Virtually everything we do in connection with our foreign relations is misunderstood by some abroad. Our most generous motives are suspected, our good intentions are condemned, and we on our side are apt to grow passionate or fearful—overzealous in our passions or failing in action because of our fears.

In the midst of this turmoil, complicated by the distractions of an election campaign, it is important to express one's feelings on the situation in moderate terms. We should, I think, calmly and prayerfully appraise the facts, so nearly as we can judge them to be the facts, and then search for a firm conclusion in keeping with our sense of justice.

In the midst of this clamor of propaganda and vigorous and sometimes reckless statements, I personally, in my responsibility as Secretary of State, have tried to keep a level head. And in my approach to the situation, I have tried to understand the point of view of other peoples, other nations, other conditions than those surrounding us here at home.

I think you must realize that it is not possible for us in America to reach a full understanding of the reactions of people who not only suffered terribly and bitterly during the war but are still struggling against grim poverty and cold, uncertainty of the future, and acute dread of tomorrow. We must realize that they look to us either with hope because of our riches and security or with dislike, if not hatred, for the very same reason. In considering the reactions, the situation of these

peoples, we should consider, by comparison, our own blessings, our comforts and prosperity, our great liberties and our freedom to say what we please and do pretty much as we please, and our right to worship in whatever manner or faith our conscience dictates. With these great privileges, I suppose we never can be brought to a full realization of the dilemma of the peoples of Europe.

Now with these thoughts in mind, I turn to what we should do affirmatively and immediately. The proposal was made last summer for what has taken form as the European Recovery Program. That proposal had as its basis a desire to help and in no way to hinder, a desire to promote the peace and in no way to threaten war. It was not an easy decision last June to submit a proposal which would involve the American people in large contributions for the next four years. Frankly, I anticipated immediate and emphatic expressions of opposition from many in this country. Actually, there was at the time little of public opposition. Instead, there was astonishment at the speed with which the countries of western Europe reacted and the remarkable demonstration of 16 sovereign nations making concessions one to the other among themselves, banding together for the good of all. That had never occurred before in history. It probably would not have occurred last summer except for the tragic dilemma which faced them. And it has led today to a strong and promising effort to form a political association which may be the first step to what has been the dream of many great minds troubled by the dangers of the existing uncoordinated situation.

Since I have been Secretary of State I have received countless messages from people in the United States telling me that they were praying that my efforts would be successful in establishing a firm basis for peace. These messages have been of comfort to me because mine has not been an easy task. So far it has been one of many frustrations.

The appeal to prayer has a powerful influence

¹An address delivered before the Federal Council of Churches, Washington Cathedral, Washington, D.C., on Mar. 11, 1948, and released to the press on the same date.

in American life because we are at heart a deeply religious people, though we do not always admit it. I think the church and the school are two institutions in American life which must play a very important part in meeting the world problems. There is, therefore, a heavy responsibility resting on the minister of the church and the teacher of the young. The police-state official dictates to preacher and teacher alike. The truth is suppressed. That presents one of our great difficulties in securing a fair judgment of what we are sincerely endeavoring to do for the good of the world at large. Prayer is one of the great means of keeping alive our belief in the ultimate triumph of the Christian principles which underlie our civilization. This faith in our ideals is particularly important when we are forced to be realistic in face of an extremely serious world situation. The influence of the church, of you churchmen, will be a tremendous factor in reaching wise decisions.

Exploratory Discussions on Import Programs Within Scope of ERP

[Released to the press March 12]

A series of informal conversations was started on March 12 by the Department of State with representatives of the 16 countries which participated in the Committee of European Economic

Co-operation last summer. While, of course, no economic assistance can be extended unless and until the Congress acts on the proposed European Recovery Program and the use of any ERP funds shall have been approved in accordance with the terms of the act, it is considered desirable to enter into preliminary discussions of the present plans and programs of the participating countries so that the administrator of the program will have available the information necessary to act promptly. This is of especial importance in the case of certain countries whose economic position will be precarious in April.

Procurement of supplies under the interim aid program for Austria, France, and Italy will, under present legislation, terminate on March 31, 1948. Even if Congress approves the additional 55 million dollars requested, interim aid funds will be sufficient to cover placement of contracts only during the early part of April. Although these supplies will continue to flow for some weeks after procurement has been concluded, the prompt initiation of procurement action during April under the ERP is necessary if a later gap in shipments is to be avoided.

The current discussions, it is stressed, are merely tentative and exploratory and in no sense are to be construed as involving any commitments on the part of the United States. Their purpose is merely to explore the types of import programs which would be within the purpose and scope of the ERP under the pending Senate bill.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Korean Elections To Conform to Views of Interim Committee

STATEMENT BY SECRETARY MARSHALL

[Released to the press March 10]

The Interim Committee voted by a majority of 31 to 2, with 11 abstentions, to advise the United Nations Temporary Commission on Korea to observe elections in the areas of Korea accessible to it. Included in the majority vote were the votes of a majority of the countries represented on the Temporary Commission. On March 1, Dr. Y. W. Liu, Chinese member of the Commission and its acting chairman, at a public celebration in Seoul announced that "in conformity with the views expressed by the Interim Committee of the

General Assembly in its resolution adopted on 27 February 1948, the United Nations Temporary Commission on Korea will discharge its duties, that is to say, observe elections in such parts of Korea as are accessible to the Commission not later than 10 May 1948 . . ." General Hodge has informed us that after the Commission had arrived at this decision announced by Dr. Liu, he consulted with the Commission, and it was agreed that he would announce the date for holding the elections as May 9, 1948.

The Second Inter-American Conference on Social Security

ARTICLE BY WILBUR J. COHEN

Seventeen countries were represented at the Second Inter-American Conference on Social Security which was held at Rio de Janeiro, Brazil, November 10-21, 1947. This was the first meeting of the Conference since it was established in September 1942 to promote cooperation among the social-security institutions of the various countries.¹ The chairman of the United States delegation was Arthur J. Altmeyer, Commissioner for Social Security of the United States and Chairman of the Inter-American Committee on Social Security.²

The other countries represented were: Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Cuba, the Dominican Republic, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela. Observers from the International Labor Organization, the Pan American Union, the Pan American Sanitary Organization, the International Social Security Association, the Inter-American Statistical Institute, the World Health Organization, and the United Kingdom also attended.

Opening Session

The first plenary session was formally opened by Mr. Altmeyer as Chairman of the Committee on Social Security. In his opening speech Mr. Altmeyer referred to the task before the Inter-American Conference on Social Security and the Inter-American Committee on Social Security as

the development of a cooperative program of action throughout the Americas, which will enlist the cooperation of all inter-American and international institutions concerned.

Agenda of the Conference

The agenda of the Conference consisted of the consideration of four reports: (1) the report of the secretary general; (2) insurance of occupational risks; (3) unemployment insurance; and (4) conclusions of the Joint Meeting of the Medical and Statistical Technical Commissions (January 1947, at Washington, D.C.).

The report of the secretary general included a summary of the work of the secretariat, the financial situation of the organization, a brief review of recent social-security developments in the Americas, a discussion of child nutrition in relation to social security, and a summary of investment of social insurance funds. These topics were discussed by the delegates, and at the same time delegates described new developments and problems in social security in their respective countries.

A summary of the conclusions set forth in the 10 resolutions adopted by the Conference is presented below.

Resolutions Adopted

1. *Social Security and International Collaboration.* This resolution points out the necessity for economic progress to provide for comprehensive social-security services.

2. *Social Security and Social Services.* The Conference expressed the wish that the ninth International Conference of American States, which is scheduled to open at Bogotá, Colombia, on March 30, 1948, devise a plan of action for the encouragement of social services in the Americas.

¹ For a summary of the 1942 Conference, see "The First Inter-American Conference on Social Security", *Social Security Bulletin*, October 1942, pp. 4-7. See also "Permanent Committee of the Inter-American Conference on Social Security", *ibid.*, October 1945, pp. 3-4.

² The U. S. Delegation, in addition, consisted of: Clara M. Beyer, Department of Labor; Wilbur J. Cohen, Social Security Administration; Edward J. Rowell and Roy Tasco Davis, Jr., American Embassy, Rio de Janeiro.

3. *Employment Service and Unemployment Insurance.* The Conference recommended "to the American countries the establishment of a national employment service in order to bring together workers and employers and to enable them to become acquainted with, and solve their respective employment problems." It was recommended that such a national employment service be utilized for: the compilation of information concerning employment and unemployment; the occupational and geographical mobility of manpower; the collaboration with social-insurance institutions, and the study and coordination of the general problems of national employment. The Conference also adopted general principles regarding unemployment insurance.

4. *Insurance of Occupational Risks.* The resolution adopted by the Conference on workmen's compensation covers a number of points such as the inclusion of all employed persons under the program, standards for determination of adequate cash benefits and medical services, measures for prevention of accidents and rehabilitation, and administration of the program. The Conference requested the Inter-American Committee on Social Security "to institute a study among the American countries regarding the unification of occupational injury insurance with social insurance, in order that, with a full knowledge of the subject, the Conference may adopt a recommendation concerning the much needed systematisation of social insurance in accordance with facts and practice."

5. *Extension of Social Security to Agricultural Workers.* The Conference repeated the resolution adopted in 1942 that "it is urgent to extend the scope of social insurance to include agricultural workers."

6. *Statistics of Social Insurance.* The Conference approved, in principle, the conclusions submitted by the Medical and Statistical Commissions³ and that the Commissions should carry on their work with a view to the preparation of a general basic plan of social-security statistics for submission to the next Conference.

7. *Statistics of Social Insurance and the 1950 Census of the Americas.* The Conference recommended "to the Governments of the American countries the desirability of taking advantage of the census agreed upon at Washington at the meeting of the Inter-American Statistical Institute in September 1947, with the object of obtaining the necessary minimum data for the elaboration of social security statistics" and that "the Statistical Technical Commission should seek the necessary cooperation of the Coordinating Board of the Committee on the 1950 Census of the Americas of the Inter-American Statistical Institute which was agreed upon at Washington."

8. *Standardization of Social Security Termi-*

nology. The Conference requested "the Inter-American Committee on Social Security to study, for inclusion in the agenda of the next Conference, the question of the standardisation of American social security terminology, bringing the various terms used into uniformity and giving the equivalent of each in the four official languages of the Conference."

9. *Coordination of Social Security Services with Public Social Services.* The Conference resolved that consideration be given by a future Conference "to the question of the bases, scope and methods of coordination of social insurance services with Government services pursuing similar objects; and That this question should include a sufficiently comprehensive study of questions connected with the maintenance of medical benefit in cases where that provided by social security institutions to insured persons and their families ceases or is not due."

10. *Principle of Tripartite Representation at the Sessions of the Conference.* The Conference advocated that the tripartite representation system of the International Labor Organization, whereby government, employer, and worker delegates participate, be used in its own sessions as far as possible.

Third Meeting of the Inter-American Committee on Social Security

During the Conference, the third meeting of the Inter-American Committee on Social Security took place. The Committee is generally responsible for handling the business and administrative aspects necessary for effectuating the work of the Conference and of carrying out the work of the organization between conferences.

Among the important actions taken by the Committee were adoption of a budget of \$30,000 for 1948; agreement to convene the Medical and Statistical Technical Commissions in 1948; and publication of a new edition of the *Inter-American Handbook of Social Security Institutions*.

The Committee re-elected Mr. Altmeyer as chairman. Antonio Diaz Lombardo, Director General of the Mexican Institute of Social Security, was elected vice chairman.

The Executive Body, which acts for the Committee during intervals between its sessions, was elected by the Committee. The four elected members were: Helvécio Xavier Lopes of Brazil; Nicasio Silverio of Cuba; Edgardo Rebagliati of Peru; and Amadeo Almada of Uruguay. The chairman and vice chairman also were members of the Executive Body. It was agreed to hold the next Conference at Bogotá, Colombia.

³ See "Meeting of the Medical and Statistical Commissions of the Inter-American Committee on Social Security", article by Wilbur J. Cohen, BULLETIN of Feb. 23, 1947, p. 337.

**U.S. DELEGATION TO U.N. CONFERENCE
ON FREEDOM OF INFORMATION**

[Released to the press March 12]

The Department of State announced on March 12 that the President has approved the composition of the United States delegation to the United Nations Conference on Freedom of Information scheduled to be held at Geneva, March 23-April 24, 1948. The United States Delegation is as follows:

Chairman:

William Benton, Member, United States National Commission for the United Nations Educational, Scientific and Cultural Organization (UNESCO)

Delegates:

Sevellon Ledyard Brown, Editor and Publisher, Providence *Journal*

Erwin D. Canham, Editor, *Christian Science Monitor*
Zechariah Chafee, Jr., Professor, Harvard Law School; Member, United Nations Economic and Social Council Subcommittee on Freedom of Information and the Press

Harry Martin, President, American Newspaper Guild
John Carter Vincent, United States Minister to Switzerland

Alternate Delegates:

Walter A. Graebner, European Director, Time-Life International

Oveta Culp Hobby, Executive Vice President, Houston *Post*; Executive Director, Radio Station KPRC

Frank McCarthy, Manager, Motion Picture Association of America

Howard K. Smith, Chief European Correspondent, CBS

Legal Consultant:

George Washington, the Assistant Solicitor General of the United States, Department of Justice

Advisers:

Lloyd A. Free, Special Assistant to the Director, Office of Information and Educational Exchange, Department of State

Allan Dawson, Office of American Republic Affairs, Department of State

Donald Dunham, Public Affairs Officer, United States Mission, Bucharest

Dorothy Fosdick, Office of European Affairs, Department of State

David H. Henry, 2d, Second Secretary, American Embassy, Moscow

Joseph M. Jones, Special Assistant to the Director, Office of Public Affairs, Department of State

Walter M. Kotschnig, Chief, Division of International Organization Affairs, Department of State

Hertzel Plaine, Office of the Assistant Solicitor General, Department of Justice

Special Assistant to the Chairman:

John Howe, *Encyclopaedia Britannica*, New York

Press Relations Officer:

Luther J. Reid, Special Assistant to the Assistant Secretary of State for Public Affairs, Department of State

Assistant Press Relations Officer:

Mildred B. Allport, Public Affairs Officer, American Legation, Bern

Secretary of the Delegation:

Henry E. Billingsley, Division of International Conferences, Department of State

Technical Secretary:

Samuel DePalma, Division of International Organization Affairs, Department of State

Administrative Officer:

Ralph J. Ribble, Division of International Conferences, Department of State

Documents Officer:

Robey N. Gibson, Division of Communications and Records, Department of State

The resolution of the United Nations General Assembly which authorized the calling of the conference states that "the purpose of the Conference shall be to formulate its views concerning the rights, obligations, and practices which should be included in the concept of freedom of information". The provisional agenda for the meeting includes the following subjects: (1) discussion of the principles of freedom of information; (2) consideration of fundamental principles in regard to news and information media; (3) measures to facilitate the gathering of information; (4) measures to facilitate the international transmission of information; (5) measures concerning the free publication and reception of information; (6) drafting a charter of rights and obligations of the media of information; (7) continuing machinery to promote the free flow of true information; (8) problems in the establishment of governmental and semi-governmental information services; and (9) means by which conference recommendations can best be effected.

It is expected that in addition to the member states of the United Nations, 11 non-member states plus a number of specialized agencies and intergovernmental organizations will participate in the conference.

U.S. DELEGATION TO ILO GOVERNING BODY

[Released to the press March 10]

The President has approved the designation of W. Thacher Winslow, Assistant to the Under Secretary of Labor, Department of Labor, to represent the United States Government at the 104th Session of the Governing Body of the International Labor Organization (ILO). John D. Tomlinson, Assistant Chief, Division of International Organization Affairs, and Bernard Wiesman, Division of International Labor, Social and Health Affairs, both of the Department of State, will serve as advisers. The 104th Session of the Governing Body is scheduled to open at Geneva on

March 16 and to continue through March 20, 1948.

The agenda for this meeting includes: (1) a review of the records of recent ILO conferences; (2) reports of the committees on employment, standing orders, finance, staff questions, permanent migration, allocations and periodical reports; (3) an examination of means for giving effect to the resolutions adopted by the Thirtieth Session of the International Labor Conference (Geneva, June-July 1947); (4) report of the officers of the Governing Body on the determination of the eight states of chief industrial importance; (5) composition of committees; and (6) report of the Director General.

The Governing Body, the executive body of the International Labor Organization, usually meets four times a year. The last session (103d) was held at Geneva, December 11-15, 1947.

U.S. DELEGATION TO PLANNING COMMITTEE FOR INTERNATIONAL HIGH FREQUENCY BROADCASTING CONFERENCE

The Department of State on March 12 announced the United States Delegation to the first meeting of the Planning Committee for the International High Frequency Broadcasting Conference of the International Telecommunication Union. The meeting is scheduled to open at Geneva on March 22, 1948, and is expected to continue for approximately two months. The Delegation is as follows:

Chairman

Forney A. Rankin, Associate Chief, Division of International Broadcasting, Department of State

Vice Chairman

Curtis V. Plummer, Chief, Television Broadcast Division, Federal Communications Commission

Members

Roger C. Legge, Jr., Propagation Analyst, Division of International Broadcasting, Department of State

Harvey B. Otterman, Associate Chief, Telecommunications Division, Department of State

Alva G. Simson, Consultant, Communications Liaison Branch, Office of Chief Signal Officer, Department of the Army

Fred H. Trimmer, Chief, Facilities Planning Branch, Division of International Broadcasting, Department of State

A. Prose Walker, Head, Allocations Section, Television Broadcast Division, Federal Communications Commission

Administrative Assistant to the Chairman

Vivian N. Cartwright, Assistant Administrative Officer, Division of International Broadcasting, Department of State

Industry Advisers

Edmund A. Chester, Director, Shortwave Broadcast and Latin American Relations, CBS

Robert N. De Hart, Engineer in Charge of Shortwave Broadcast, CBS

Charles R. Denny, Vice President and General Counsel, NBC

George E. Hughes, Vice President and East Coast Representative, Associated Broadcasters, Inc.

James P. Veatch, Manager, Frequency Bureau, RCA Laboratories Division, RCA

U.S. DELEGATION TO SEVENTH MEETING OF INTERNATIONAL COTTON ADVISORY COMMITTEE

The Department of State announced on March 12 the United States Delegation to the seventh meeting of the International Cotton Advisory Committee. This meeting, the first meeting of the Committee to be held outside the United States, is scheduled to convene at Cairo, Egypt, on April 1, 1948. The Delegation is as follows:

Chairman

Edwin D. White, Assistant to the Secretary of Agriculture, Department of Agriculture

Advisers

Read Dunn, Director of Foreign Trade, National Cotton Council of America, Washington, D.C.

Robert Bailey Elwood, Assistant Agricultural Attaché, American Embassy, Cairo

Arthur W. Palmer, Head, Division of Cotton and Other Vegetable Fibers, Office of Foreign Agricultural Relations, Department of Agriculture

Clovis D. Walker, Chief, Cotton Branch, Production and Marketing Administration, Department of Agriculture

Adviser and Secretary

James G. Evans, Chief, Fibers Section, International Resources Division, Department of State

The tentative agenda for the meeting includes: (1) a review of the world cotton situation; (2) statements from the delegations on the situation and the current problems with respect to cotton in their countries; (3) a program of work for the secretariat and financial provision for 1948-49; (4) reports of the officers of the Committee; and (5) other subjects.

EIGHTH WORLD'S POULTRY CONGRESS SCHEDULED TO MEET

The eighth World's Poultry Congress is scheduled to be held at Copenhagen, August 20-27, 1948, under the patronage of King Frederik IX of Denmark. About 35 countries have accepted the invitation of the Danish Government to participate in the Congress, and 15 countries have announced the formation of national committees. The United States will send an official delegation, which will be named at a later date. A national committee representing all segments of the poultry industry in the United States has been set up to prepare for United States participation.

Tripartite Conversations on German Problems

TEXT OF COMMUNIQUÉ¹

The informal discussions of German problems which began in London on 23rd February between the representatives of the United States, United Kingdom and France, and as from February 26th with the representatives of the Benelux countries, went into recess today.

At the request of the other delegations, the meetings were held under the chairmanship of the U.K. representative, Sir William Strang. The U.S. and French delegations were led by Mr. Douglas and M. Massigli, the U. S. and French Ambassadors in London. At the first meeting it was agreed to invite the Benelux countries to take part, on an equal footing, in the discussions of all items on the agenda, except those dealing with administrative matters which are the direct responsibility of the occupying powers controlling the three occupied areas. The chief representatives of the Benelux delegation were Jenkheer Michiels van Verduynen, the Netherlands Ambassador, Vicomte Obert de Thiesies, the Belgian Ambassador, and M. Claessen, the Luxembourg Minister.

Important progress has been made and it has been decided that these discussions will be resumed during April for the purpose of reaching conclusions on the remaining question, so that the delegations may be in a position to submit to their governments, at the end of the next session, their recommendations over the whole field. In the meantime various aspects of certain of these problems will be the subject of more detailed examinations.

The continuous failure of the Council of Foreign Ministers to reach quadripartite agreement has created a situation in Germany which if permitted to continue, would have increasingly unfortunate consequences for western Europe. It was therefore necessary that urgent political and economic problems arising out of this situation in Germany should be solved. The participating powers had in view the necessity of ensuring the economic reconstruction of western Europe in-

cluding Germany, and of establishing a basis for the participation of a democratic Germany in the community of free peoples. While delay in reaching these objectives can no longer be accepted, ultimate Four Power agreement is in no way precluded.

The various items on the agenda were the subject of a detailed study, with the exception of security questions, which were given preliminary examination and will be considered in detail upon resuming the discussion. Similarly discussion of territorial questions will be held over until the next session.

Discussions took place among the U.S., U.K., and French delegations on certain limited aspects

Statement by Secretary Marshall on Result of London Talks on Germany

[Released to the press March 10]

The progress which was made in the informal talks at London on German problems is gratifying. The talks took place in an atmosphere of cooperative endeavor to find solutions to problems of mutual interest. The communiqué issued at London gives a comprehensive account of the discussions. From the communiqué you will see that on certain subjects the discussions led to recommendations which have been submitted to the governments concerned. Other subjects are still in the preliminary discussion stage, and a more detailed examination of these will take place in ensuing weeks. The informal discussions have not adjourned, but only recessed, and it is intended that they be resumed some time in April. I am hopeful that the progress made in these initial discussions will culminate in general agreement at that time on these difficult issues.

¹ Released to the press in London on Mar. 6, 1948, and in Washington on Mar. 8, 1948.

of the question of reparations from Germany relating to internal policy in the Zones for which they are responsible as Occupying powers.

The relationship of western Germany under the occupying powers to the European Recovery Programme was also discussed by the U.S., U.K. and French delegations. It was agreed that for the political and economic well-being of the countries of western Europe and of a democratic Germany there must be a close association of their economic life. Since it has not proved possible to achieve economic unity in Germany, and since the eastern zone has been prevented from playing its part in the European Recovery Programme, the three western powers have agreed that close cooperation should be established among themselves and among the occupation authorities in western Germany in all matters arising out of the European Recovery Programme in relation to western Germany. Such cooperation is essential if western Germany is to make its full and proper contribution to European recovery. It was also agreed to recommend to the three governments that the combined zone and the French zone should be fully associated in the European Recovery Programme and adequately represented on any continuing organization. Proposals in this sense will be presented at the forthcoming meeting of the C.E.E.C.

Agreement in principle has been reached on recommendations for the association of the Benelux countries in policy regarding Germany. Con-

sideration was given of all delegations to the establishment of an international control of the Ruhr on which Germany would be represented. The purpose of this international control would be to ensure that the economic resources of this area should not again be used for the purposes of aggression and that there should be adequate access to the coal, coke and steel of the Ruhr for the benefit of extensive parts of the European community including Germany. Agreed recommendations in this respect will be submitted to the governments concerned on the scope and form of this control.

A constructive discussion among all the delegations took place on the present situation and the possible evolution of the political and economic organization of Germany in the combined U.S./U.K. zone and the French zone. A wide measure of agreement was reached on a number of controversial points. In particular it was agreed that a federal form of government, adequately protecting the rights of the respective states but at the same time providing for adequate control authority, is best adapted for the eventual reestablishment of German unity, at present disrupted. Moreover, in order to facilitate the association of western Germany with the European Recovery Programme the three delegations concerned further agreed that prompt action should be taken to coordinate as far as possible the economic policies of the three zones, in such matters as foreign and inter-zonal trade, customs, and freedom of movement for persons and goods.

Communist Seizure of Power in Czechoslovakia

STATEMENT BY SECRETARY MARSHALL

[Released to the press March 10]

At an official press conference on March 10 a reporter asked Secretary Marshall: "Mr. Secretary, could I ask a question concerning Europe? There seems to be a great deal of alarm, quite understandably, in this country over developments in Europe in the last couple of weeks, including the

fall of Czechoslovakia. This alarm ranges all the way from fears that Italy might fall to the Communists and, in the extreme, to talk of war. I wonder if we could have your assessment of the situation so far as you can go."

The Secretary replied as follows:

I think you correctly described the situation in your question—that there are great fears as to the developments. There are also very strong feelings regarding these developments and a considerable passion of view on the part of a great many in this country. The situation is very, very serious. It is regrettable that passions are aroused to the degree which has occurred. It is tragic to have things happen such as just occurred in Czechoslovakia, particularly what has happened to some of the officials, as in the affair today of the death of Jan Masaryk, all of which indicates very plainly what is going on. It is a reign of terror in Czechoslovakia and not an ordinary due process of government by the people.

Statement by the Department Upon Death of Foreign Minister

[Released to the press March 10]

The tragic death of Jan Masaryk has deepened the shadow cast on the observance a few days ago of the birthday anniversary of his father, Thomas Masaryk, by the extinction of Czechoslovak liberties which Thomas Masaryk founded.

Hungary and Bulgaria Notified of Prewar Treaties U.S.

Will Keep in Force or Revive

HUNGARY

[Released to the press March 11]

The Department of State announced on March 11 that on March 9, 1948, the Hungarian Government was given official notification, in accordance with the terms of the treaty of peace with Hungary signed at Paris, February 10, 1947, regarding the prewar bilateral treaties and other international agreements with Hungary which the United States Government desires to keep in force or revive.

Text of note from the American Minister at Budapest to the Hungarian Minister for Foreign Affairs giving such notification

I have the honor to refer to the Treaty of Peace with Hungary, signed at Paris February 10, 1947, which came into force, in accordance with the provisions of article 42 thereof, on September 15, 1947 upon the deposit of instruments of ratification by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Article 10 of the Treaty of Peace reads as follows:

"1. Each Allied or Associated Power will notify Hungary, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Hungary it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

"2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

"3. All such treaties not so notified shall be regarded as abrogated."

I have the honor, by direction of the Government of the United States of America and on its behalf, to notify the Hungarian Government, in accordance with the provisions of the Treaty of Peace quoted above, that the Government of the United States of America desires to keep in force

or revive the following pre-war bilateral treaties and other international agreements with Hungary:

Arbitration

1. Arbitration treaty. Signed at Washington January 26, 1929. Ratified by the United States February 28, 1929. Ratified by Hungary July 6, 1929. Ratifications exchanged at Washington July 24, 1929. Effective July 24, 1929. [Treaty Series 797; 46 Stat. 2349.]

Commerce

2. Treaty of friendship, commerce and consular rights, and exchanges of notes. Signed at Washington June 24, 1925. Ratified by the United States June 16, 1926. Ratified by Hungary April 1, 1926. Ratifications exchanged at Budapest September 4, 1926. Effective October 4, 1926. [Treaty Series 748; 44 Stat. 2441.]

Conciliation

3. Conciliation treaty. Signed at Washington January 26, 1929. Ratified by the United States February 28, 1929. Ratified by Hungary July 6, 1929. Ratifications exchanged at Washington July 24, 1929. Effective July 24, 1929. [Treaty Series 798; 46 Stat. 2353.]

Copyright

4. Copyright convention. Signed at Budapest January 30, 1912. Ratified by the United States July 31, 1912. Ratified by Hungary August 12, 1912. Ratifications exchanged at Washington September 16, 1912. Effective October 16, 1912. (Revived May 27, 1922.) [Treaty Series 571; 37 Stat. 1631.]

Debt-funding

5. Debt-funding agreement. Signed at Washington April 25, 1924. Effective as of December 15, 1923. [Combined Annual Reports of World War Foreign Debt Commission (1927) 132.]

6. Agreement modifying the debt-funding agreement of April 25, 1924 (moratorium). Signed at Washington May 27, 1932. Effective as of July 1, 1931. [Printed by the Treasury Department 1932.]

Extradition

7. Treaty for the extradition of fugitives from justice. Signed at Washington July 3, 1856. Ratified by the United States December 12, 1856. Ratified by Austria-Hungary November 16, 1856. Ratifications exchanged December 13, 1856. Effective December 13, 1856. (Revived May 27, 1922.) [Treaty Series 9; 11 Stat. 691 and 18 Stat. 26.]

Passport Visa Fees

8. Reciprocal arrangement for temporary waiver of visitors' visa fees. Signed April 6 and 21, 1936. Term extended to March 31, 1937, by notes exchanged at Buda-

pest October 9 and 31, 1936. Term extended to September 30, 1937, by notes exchanged at Budapest March 22 and 23, 1937. Term extended indefinitely by notes exchanged at Budapest August 18, September 21 and 23, 1937. [Not printed.]

Postal

9. Parcel post convention. Signed at Budapest July 3, 1928 and at Washington August 16, 1928. Ratified by the United States August 21, 1928. [Post Office Department print.]

10. Agreement for collect-on-delivery service. Signed at Budapest December 15, 1930 and at Washington January 15, 1931. Ratified by the United States January 21, 1931. [Post Office Department print; 46 Stat. 2894.]

11. Convention for exchange of money orders. Signed at Washington April 3, 1922 and at Budapest May 6, 1922. Effective June 15, 1922. [Not printed.]

Relations

12. Treaty establishing friendly relations. Signed at Budapest August 29, 1921. Ratified by the United States October 21, 1921. Ratified by Hungary December 12, 1921. Ratifications exchanged at Budapest December 17, 1921. Effective December 17, 1921. [Treaty Series 660; 42 Stat. 1951.]

BULGARIA

[Released to the press March 11]

The Department of State announced on March 11 that on March 8, 1948, the Bulgarian Government was given official notification, in accordance with the terms of the treaty of peace with Bulgaria signed at Paris, February 10, 1947, regarding the prewar bilateral treaties and other international agreements with Bulgaria which the United States Government desires to keep in force or revive.

Text of note from the American Minister of Sofia to the Bulgarian Minister for Foreign Affairs giving such notification

I have the honor to refer to the Treaty of Peace with Bulgaria, signed at Paris February 10, 1947, which came into force, in accordance with the provisions of article 38 thereof, on September 15, 1947 upon the deposit of instruments of ratification by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Article 8 of the Treaty of Peace reads as follows:

"1. Each Allied or Associated Power will notify Bulgaria, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Bulgaria it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

"2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

This notification will be deemed to be effective on the date of the present note.

It is understood, of course, that either of the two Governments may propose revisions in any of the treaties or other agreements mentioned in the above list.

Further, it shall be understood that any of the provisions in the treaties and other agreements listed in this notification which may be found in particular circumstances to be not in conformity with the Treaty of Peace shall be considered to have been deleted so far as application of the Treaty of Peace is involved but shall be regarded as being in full force and effect with respect to matters not covered by the latter treaty.

In compliance with paragraph 2 of article 10 of the Treaty of Peace, quoted above, the United States Government will register with the Secretariat of the United Nations the treaties and other agreements which are by this notification kept in force or revived.

"3. All such treaties not so notified shall be regarded as abrogated."

I have the honor, by direction of the Government of the United States of America and on its behalf, to notify the Bulgarian Government, in accordance with the provisions of the Treaty of Peace quoted above, that the Government of the United States of America desires to keep in force or revive the following pre-war bilateral treaties and other international agreements with Bulgaria:

Arbitration

1. Arbitration treaty. Signed at Washington January 21, 1929. Ratified by the United States February 14, 1929. Ratified by Bulgaria July 2, 1929. Ratifications exchanged at Washington July 22, 1929. Effective July 22, 1929. [Treaty Series 792; 46 Stat. 2332.]

Certificates of Origin

2. Agreement for the waiver of legalization on certificates of origin. Effected by exchange of notes signed at Sofia January 5, 1938. Effective January 5, 1938. [Executive Agreement Series 124; 52 Stat. 1509.]

Commerce

3. Provisional commercial agreement. Effected by exchange of notes signed at Sofia August 18, 1932. Effective August 18, 1932. [Executive Agreement Series 41; 48 Stat. 1753.]

Conciliation

4. Conciliation treaty. Signed at Washington January 21, 1929. Ratified by the United States February 14, 1929. Ratified by Bulgaria July 2, 1929. Ratifications exchanged at Washington July 22, 1929. Effective July 22, 1929. [Treaty Series 793; 46 Stat. 2334.]

Extradition

5. Extradition treaty. Signed at Sofia March 19, 1924. Ratified by the United States May 15, 1924. Ratified by

Bulgaria June 10, 1924. Ratifications exchanged at Sofia June 24, 1924. Effective June 24, 1924. [Treaty Series 687; 43 Stat. 1886.]

6. Supplementary extradition treaty. Signed at Washington June 8, 1934. Ratified by the United States April 10, 1935. Ratified by Bulgaria July 27, 1935. Ratifications exchanged at Sofia August 15, 1935. Effective August 15, 1935. [Treaty Series 894; 49 Stat. 3250.]

Naturalization

7. Naturalization treaty. Signed at Sofia November 23, 1923. Ratified by the United States February 26, 1924. Ratified by Bulgaria March 30, 1924. Ratifications exchanged at Sofia April 5, 1924. Effective April 5, 1924. [Treaty Series 684; 43 Stat. 1759.]

Passport Visa Fees

8. Arrangement for the reduction of passport visa fees for non-immigrants. Effected by exchange of notes signed at Sofia June 19 and 29, 1925. Effective August 1, 1925. [Not printed.]

Postal

9. Parcel post convention. Signed at Sofia August 2, 1922 and at Washington August 26, 1922. Ratified by the United States August 31, 1922. Effective as of November 11, 1919. [Post Office Department print; 42 Stat. 2205.]

10. Convention for the exchange of postal money orders. Signed at Washington April 3, 1922. Effective October 1, 1923. [Not printed.]

11. Protocol to money order convention signed at Washington April 3, 1922. Signed at Washington September 6, 1923. Effective October 1, 1923. [Not printed.]

This notification will be deemed to be effective on the date of the present note.

It is understood, of course, that either of the two Governments may propose revisions in any of the treaties or other agreements mentioned in the above list.

Further, it shall be understood that any of the provisions in the treaties and other agreements listed in this notification which may be found in particular circumstances to be not in conformity with the Treaty of Peace shall be considered to have been deleted so far as application of the Treaty of Peace is involved but shall be regarded as being in full force and effect with respect to matters not covered by the latter treaty.

In compliance with paragraph 2 of article 8 of the Treaty of Peace, quoted above, the United States Government will register with the Secretariat of the United Nations the treaties and other agreements which are by this notification kept in force or revived.

Inclusion of Communists a Matter for Chinese Government To Decide

[Released to the press March 11]

In view of misunderstandings that have arisen concerning the Secretary's statements about China at his March 10 press conference, it is pointed out that the Secretary referred to President Truman's statement of December 15, 1945.¹ That statement

¹ BULLETIN of Dec. 16, 1945, p. 945.

² Identic notes were delivered Mar. 4, 1948, to the Ambassadors of Yugoslavia, Czechoslovakia, and Poland.

³ Not printed.

expressed the belief of the United States "that peace, unity and democratic reform in China will be furthered if the basis of this Government [China] is broadened to include other political elements in the country". The Secretary said that this statement still stands. When asked specifically whether broadening the base of the Chinese Government meant we favored the inclusion of the Chinese Communist Party, he replied that the Communists were now in open rebellion against the Government and that this matter (the determination of whether the Communists should be included in the Chinese Government) was for the Chinese Government to decide, not for the United States Government to dictate.

Chinese Surplus Property Contract

Statement by Secretary Marshall

[Released to the press March 10]

Under the contract of August 30, 1946, surplus property of an estimated value of \$500,000,000 located on a large number of Pacific islands was sold to the Chinese Government on a "where-is, as-is" basis, with the Chinese Government to take possession on the spot and arrange shipment to China. Reports received by the Foreign Liquidation Commissioner indicate that as of October 31, 1947, property to the value of \$365,000,000 had been declared surplus to the Chinese, title having passed on \$322,000,000 worth of this, and that property has been transferred to the Chinese at least as rapidly as the Chinese arranged to ship it. There is no reason to anticipate that we will be unable to complete transfer of the remainder by June 30, 1948, the contract date for completion of the transfer.

U.S. Replies to Yugoslavia, Czechoslovakia, and Poland Concerning Declaration on German Problems²

March 2, 1948.

EXCELLENCY:

With reference to your note of February 23, 1948,³ transmitting the text of the declaration concerning German problems drawn up by the Ministers of Foreign Affairs of Czechoslovakia, Poland and Yugoslavia at their recent conference in Praha, I have the honor to inform you that this resolution contains so many statements which are not in accordance with the facts that a discussion of its contents would serve no useful purpose.

Accept [etc.]

For the Secretary of State:
ROBERT A. LOVETT

Department of State Bulletin

Proposed Foreign Policy Legislation

LETTER FROM THE COUNSELOR OF THE DEPARTMENT OF STATE TO THE CHAIRMAN OF THE HOUSE FOREIGN AFFAIRS COMMITTEE

[Released to the press March 8]

March 4, 1948.

MY DEAR DR. EATON:

I refer to your letter of February 18, 1948 to the Secretary transmitting a copy of the resolution adopted that day by the Committee on Foreign Affairs.

The Resolution requested that the State Department "furnish the Committee with a statement of all foreign policy legislation needed for this session immediately and the estimated authorizations and appropriations to be requested together with an agenda of any other steps proposed to be taken by the State Department to support the financial aspects of its foreign policy. . . ."

In response to questioning by Committee members during both the open hearing and the executive session on February 20, Secretary Marshall discussed the Department's legislative program, including certain of its financial aspects. There are enclosed in response to the Committee's resolution and in supplement to the Secretary's answers during the hearings:

- (1) A statement of all foreign policy legislation needed this session, and
- (2) The estimated authorizations and appropriations to be requested this session.

The first enclosure amends in some respects and brings up to date the list of proposed foreign policy legislation which Mr. Lovett sent you on December 3, 1947. The second enclosure is in effect a supplement to the information which Secretary Marshall sent you by letter on February 6, with particular reference to the item therein described as "other foreign aid (including China)".¹ The China Aid request for \$570 million has already been submitted as has the Greek-Turkish Aid amendment, requesting authorization for additional appropriations in the amount of \$275 million. The item in enclosure II on Economic Development of Latin America was not mentioned in the Secretary's letter of February 6 because decisions were not sufficiently definite at that time to warrant its inclusion.

As you know, instability in world conditions is such that it would be impossible to give your Committee positive assurance that no additional foreign policy legislation will be requested during this session. In the estimate of the Department, how-

ever, the enclosures list all foreign policy legislation which the Department now foresees as likely to be requested during this session of the Congress, except for several treaties which will be submitted to the Senate and for several relatively unimportant and non-controversial items which may be submitted this session for action but upon which final decisions have not been reached.

In response to that portion of the resolution which requested "an agenda of any other steps proposed to be taken by the State Department to support the financial aspects of its foreign policy", the Department has no further comments to offer than those which the Secretary submitted during the hearings on February 20.

Sincerely yours,

For the Secretary of State:

CHARLES E. BOHLEN
Counselor

February 27, 1948

I. Statement in Response to Request of House Committee on Foreign Affairs for a "Statement of all Foreign Policy Legislation Needed this Session"

For convenience and clarity the following list is divided into three parts.

Part I includes, in a suggested order or priority, all Department sponsored legislation now before the House Committee on Foreign Affairs upon which there has not been final action by either House and legislation which has not yet been submitted to the Congress by the Executive and which, as in the case of the renewal of the Reciprocal Trade Agreements Act, may be referred to Committees other than the Foreign Affairs Committee.

Part II lists, without reference to any suggested order of priority, foreign policy legislation upon which the Senate has completed action but which awaits House action or the convening of a conference.

Part III lists foreign policy legislation which the Department is sponsoring by itself, or jointly with other Departments, but which has been referred to Committees other than the Committee on Foreign Affairs.

¹ BULLETIN of Feb. 22, 1948, p. 233.

I. Foreign Policy Legislation Submitted by the Department of State Upon Which Final Action has not Been Taken by Either House (in suggested order of priority)

1. The European Recovery Program.
2. Amendments to Greek-Turkish Aid Legislation (PL 75).
3. China Aid Program.
4. Trieste Legislation.
5. Renewal of Reciprocal Trade Agreements Act (not yet submitted to the Congress).
6. The Inter-American Military Cooperation Act (H.R. 3836, reported out by House Foreign Affairs Committee but not yet acted upon).
7. Munitions Control Act (submitted on April 15, 1947 and referred to House Foreign Affairs Committee, H. Doc. 195).
8. Organic Legislation for Government of Trust Territories of the Pacific Islands (not yet submitted to the Congress).
9. Authorization for loan of \$65 million to finance construction of the United Nations Headquarters (not yet submitted to the Congress).
10. Amendment of the United Nations Participation Act (PL 264, 79th Congress). To authorize the appointment of an additional representative to the United Nations and for other purposes. (Not yet submitted to the Congress).
11. Authorization for Extension of Aid to Destitute Americans Abroad. (Submitted to the Congress on July 14, 1947 and referred to House Committee on Foreign Affairs.)
12. Authorization for the State Department to perform certain consular type functions for German nationals in the United States. (H.R. 4330 favorably reported upon by House Foreign Affairs Committee on July 23, H. Report 1045).
13. Authorization to Participate in the Pan American Railway Congress (S.J. Res. 177. Not introduced in House. Railway Congress is scheduled to meet in late March and legislation should, if possible, be enacted before then.)
14. Procedural Amendments to Charter of Institute of Inter-American Affairs (PL 369), amendments introduced by Mr. Jonkman on January 26, 1948.
15. Authorization for detail of United States personnel to International Organizations (submitted by letter dated January 19, 1948 and referred to House Foreign Affairs Committee).
16. Authorization for Basic Authority for Assistant Secretaries of State Positions in Department of State.

II. Foreign Policy Legislation Upon Which Senate Action Has Been Completed and Which is Now Pending Before the House Committee on Foreign Affairs or Awaiting Action by the House of Representatives

1. World Health Organization (H.J. Res. 161, passed by Senate as S.J. Res. 98, July 7, 1947).

2. Amendment of Constitution of the International Labor Organization (S.J. Res. 117, passed by Senate, June 2, 1947. H. Report 1057).

3. Authorization for United States Participation in the Caribbean Commission (H.J. Res. 231, amended and passed by Senate, February 2, 1948).

4. Convention on Privileges and Immunities of the United Nations. (Submitted with request for action by joint resolution. S.J. Res. 136 passed by Senate on July 17, 1947.)

5. Authorization for Payment of Swiss Claim for Bomb Damage. (S. 1605, reported December 18, 1947, S. Rep. 805) Passed by Senate on February 2, 1948.

6. Authorization for Relief of Certain Foreign Service Officers. (H.R. 4186, amended and passed by Senate and awaiting House action.)

III. Foreign Policy Legislation before Committees Other than the Foreign Affairs Committee

1. Displaced persons (Stratton Bill, H.R. 2910, Judiciary Committee).

2. Authorization for detail of Military and Naval Missions to Foreign Governments. (H.R. 2313, Armed Services Committee.)

3. Authorization for Admission of Aliens to Military Schools. (H.R. 5182, Armed Services Committee.)

February 27, 1948

II. Statement in Response to Request of House Committee on Foreign Affairs for "the estimated authorizations and appropriations to be requested" this Session in which the Department of State has an interest

NOTE: This list does not include items which on this date had already been submitted to the Congress particularly the China Aid program in the amount of \$570 million, the Greek-Turkish Aid amendments calling for authorization and appropriations of \$275 million, and estimates for departmental, foreign service and information program expenditures. The list may be subject to some change as all of the programs covered have not been fully cleared and screened in the Executive branch.

1. Japanese-Korean Reconstruction.

The Department of the Army is developing an economic rehabilitation appropriation request for Japan, Korea, and the Ryukyu Islands. The amount to be requested has not yet been finally determined. (Not included in Enclosure No. I because this is an Army item in which there is a foreign policy interest.)

2. Trieste Aid.

The Department of State expects to request authority to extend financial assistance to the US-

UK zone in Trieste for the 15-month period April 1, 1948—June 30, 1949 to prevent disease and unrest. It is now contemplated that a request will be submitted for the amendment of Public Law 389 which provides interim aid to Italy, France and Austria to include Trieste and that an appropriation of \$20 million will be requested under the authority of Public Law 389.

3. *Assistance for the Development of Latin America.*

The Executive Branch of the Government expects to ask the Congress to increase the lending authority of the Export-Import Bank by \$500 million for loans to Latin America. The State Department plans to assist in the presentation of this request to the Congress. The only action required by Congress is the raising of the present lending authority of the Export-Import Bank; no appropriation request is necessary.

4. *Loan for United Nations Headquarters Construction.*

An agreement between the United States and the United Nations is expected to be signed in the near future, setting forth the terms of a proposed United States interest-free loan of \$65 million for the construction of United Nations headquarters. After the agreement is signed, the President is expected to transmit the agreement to the Congress for approval and request the necessary authorizing legislation and appropriation. The loan is to be repaid over a period of 30 years.

5. *Inter-American Military Cooperation.*

Final figures are not yet available on the amount that will be needed to implement this legislation which is now pending before the House of Representatives.

Educational Exchange Programs ¹

THE PRESIDENT'S MESSAGE OF TRANSMITTAL

To the Congress of the United States:

I transmit herewith a report by the Secretary of State on the operations of the Department of State under section 32 (b) (2) of Public Law 584,

Seventy-ninth Congress, as required by that law.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 8, 1948.*

Enclosure: Report from the Secretary of State concerning Public Law 584.

REPORT ON THE OPERATIONS OF THE DEPARTMENT OF STATE

DEPARTMENT OF STATE,
Washington, March 2, 1948.

The PRESIDENT,
The White House:

I enclose herewith for your transmittal to the Congress a report on the operations of the Department of State as required by section 32 (b) (2) of Public Law 584, Seventy-ninth Congress.

Respectfully submitted.

G. C. MARSHALL.

(Enclosures: (1) Memorandum, (2) report to the Congress.)

In accordance with section 32 of the Surplus Property Act of 1944, as amended August 1, 1946, the following report is submitted covering opera-

tions under paragraph 32 (b) (2) of the act during the period January 1 through December 31, 1947.

Introduction

The Department of State has proceeded, during the calendar year 1947, with the preparation and negotiation of the executive agreements which, pursuant to the terms of the act, underlie the educational exchange programs in the participating countries. This broad program of long-range educational exchanges, setting a new precedent in international intercourse, has called for meticulous attention to many details of cultural, financial, political, and economic relations. The agreements concluded during this year were under active negotiation with the countries concerned for over 6 months. Now that a pattern has been established, however, negotiations may be expected to move more rapidly and the first few months of 1948 should see many more programs under way.

¹ H. Doc. 562, 80th Cong., 2d sess.

The reception accorded the proposals of the United States for the establishment of the educational exchange program by the governments of the various foreign countries and the popular interest in the program demonstrated at home and abroad give every promise of fulfillment to the objectives of the Congress in providing, through this program, improved understanding between the peoples of the world.

China

The executive agreement required by the act was signed in Nanking at 4:30 p.m. November 10, 1947, Nanking time.² The signatories were the Honorable J. Leighton Stuart, American Ambassador to China, on behalf of the Government of the United States of America, and His Excellency, the Minister of Foreign Affairs, Dr. Wang Shih-chieh, on behalf of the Government of the Republic of China. The complete text of the agreement follows as annex A.

The agreement provides for the establishment of the United States Educational Foundation in China as an organization created and established to facilitate the administration in China of the program of educational exchanges authorized by the act. The management and direction of the affairs of the Foundation are vested in a Board of Directors and the following members have been appointed by Ambassador Stuart:

The Honorable J. Leighton Stuart, American Ambassador to China, Chairman;
 Dr. Robert Briggs Watson, acting regional director for the Far East of the Rockefeller Foundation;
 George H. Green, Jr., submanager, Shanghai branch of the National City Bank of New York;
 John F. Melby, second secretary of the American Embassy, Nanking;
 George L. Harris, cultural relations attaché to the American Embassy, Nanking.

The agreement provides that the Chinese Government shall appoint not more than five advisers to the Board. Four such appointments have been made as follows:

Dr. Hu Shih, president of Peita, Peiping, Chairman;
 Dr. Sah Pen-Tung, secretary general of Academia Sinica;
 Dr. Wui Yi-Fang, president, Ginling Women's College;
 Dr. Han Lien-Ching, chief, Department of Cultural Relations, Ministry of Education.

While the agreement provides that the Government of the Republic of China should deposit with the Treasurer of the United States an amount of Chinese national currency equivalent to \$250,000 (United States currency) within 30 days of the signing of the agreement, Embassy, Nanking, was authorized to accept an initial deposit of Chinese national currency equivalent to only \$5,000 to cover immediate administrative expenses, the balance payable on demand of the United States Gov-

ernment. This action was taken to protect the financial interest of the United States in a period of rapid exchange rate fluctuations. As of December 31, 1947, no payment had been received from the Government of China, no American citizens were attending schools or institutions pursuant to the agreement and no currencies or credits for currencies had been expended for any of the purposes under paragraph 32 (b) (2) of the act. (Subsequent to December 31, 1947, a check bearing the date of December 19, 1947, has been received from the Government of China in the amount of 627,000,000 Chinese national dollars equivalent to 5,000 United States dollars.)

Burma

The executive agreement required by the act was signed in Rangoon at 3 p.m. December 22, 1947, Rangoon time.³ The signatories were R. Austin Acly, Chargé d'Affaires ad interim, United States Embassy, Rangoon, on behalf of the Government of the United States of America, and U Tin Tut, Counsellor for Foreign Affairs, on behalf of the Government of Burma. The complete text of the agreement follows as annex B.

The agreement provides for the establishment of the United States Educational Foundation in Burma as an organization created and established to facilitate the administration in Burma of the program of educational exchanges authorized by the act. The management and direction of the affairs of the Foundation are vested in a Board of Directors and the following members have been appointed by Mr. Acly, Chargé d'Affaires ad interim:

Dr. Frederick L. Jochem, public affairs officer of the United States Embassy, Chairman;
 Dr. Tin Aung, principal of the University of Rangoon;
 U Cho, Director of Public Instruction of Burma;
 Sao Sai Mong, chief education officer of the Shan States;
 Dr. J. Russell Andrus, second secretary, United States Embassy, Rangoon;
 Dr. Martin P. Detels, Jr., third secretary, United States Embassy, Rangoon.

Two additional American members had not been appointed as of December 31, 1947.

As of December 31, 1947, no currencies of the Government of Burma had been received by the United States under the terms of the agreement, no American citizens were attending schools or institutions pursuant to the agreement, and no currencies or credits for currencies had been expended for any of the purposes under paragraph 32 (b) (2) of the act.

Developments With Other Countries as of December 31, 1947

Draft executive agreements similar to those concluded with China and Burma had been transmitted to the governments of the following countries for signature: The Philippines, Egypt, Italy, New Zealand, Greece, and Belgium.

² BULLETIN of Nov. 23, 1947, p. 1005.

³ BULLETIN of Jan. 4, 1948, p. 27.

THE FOREIGN SERVICE

Draft agreements were prepared and awaiting transmittal to Finland, Hungary, and Poland.

Draft agreements were in the final stages of preparation for transmittal to Czechoslovakia, Austria, Netherlands Indies, Siam, Turkey, Iran, Australia, France, the Netherlands, the United Kingdom, and Norway.

Development of a draft agreement with Denmark was suspended because there had not been sufficient utilization by Denmark of its surplus-property credit to make an educational exchange program feasible.

Preliminary exploration had been begun looking to the development of exchange programs with India and Pakistan.

The Board of Foreign Scholarships

On July 10, 1947, the President approved the appointment of the following members of the Board of Foreign Scholarships provided by the Act:⁴

Dr. Francis T. Spaulding, New York State Commissioner of Education (elected Chairman by subsequent action of the Board).

General Omar N. Bradley, then Administrator of Veterans Affairs.

Dr. Walter Johnson, professor of history, University of Chicago.

Dr. Ernest O. Lawrence, professor of physics, University of California at Berkeley.

Dr. John W. Studebaker, United States Commissioner of Education.

Dr. Charles S. Johnson, president, Fisk University.

Miss Helen C. White, professor of English, University of Wisconsin.

Dr. Martin R. P. McGuire, dean of the graduate school, Catholic University of America.

Miss Sarah Blanding, president, Vassar College.

Mr. Laurence Duggan, director, Institute of International Education.

The Board has held two meetings during calendar year 1947, the first on October 8 and 9, 1947, and the second on December 13, 1947. In these meetings the Board developed several basic policies and guiding principles to govern the operation of the exchange program authorized by the act. It also established three basic mechanisms to provide the preliminary screening of applications for awards prior to final consideration by the Board. The Institute of International Education was selected as the agency to receive and screen applications for grants as students. The United States Office of Education was requested to receive and screen applications for grants as teachers in national elementary or secondary schools abroad. Arrangements were made with the Conference Board of Associated Research Councils to act upon requests for grants as teachers in institutions of higher learning, for grants to pursue advanced research work, and as teachers in American elementary and secondary schools in foreign countries.⁵

Board of Examiners for Foreign Service To Hold Examination

The Department of State announced on March 4 that the Board of Examiners for the Foreign Service had determined to hold on September 27-30, 1948, a written examination for appointment as Foreign Service officer.

The examination will be held at American diplomatic posts and consulates and at the following 18 Civil Service examination centers: Atlanta, Boston, Chicago, Cincinnati, Dallas, Denver, Honolulu, Los Angeles, New Orleans, New York, Philadelphia, St. Louis, St. Paul, San Francisco, San Juan, Seattle, Washington, D.C., and Winston-Salem. Application blanks may be obtained from the Board of Examiners for the Foreign Service, Department of State, Washington 25, D.C. All applications must be received by the Board of Examiners on or before July 1, 1948. Applicants must be at least 21 and under 31 years of age as of July 1, 1948, and must have been citizens of the United States for at least 10 years before July 1, 1948. If married, they must be married to American citizens.

Regional Consular Conference To Be Held

[Released to the press March 4]

The Office of the Foreign Service announced on March 4 that a regional consular conference will be held at the American Embassy in Mexico City, April 5-9, at which diplomatic and consular officers from 20 posts in Mexico will discuss plans to improve American Foreign Service operations in that country.

The sessions will be addressed by prominent Foreign Service officers and by Departmental officials whose duties in Washington keep them in constant communication with American representatives in Mexico. Speakers will stress the importance of keeping the Foreign Service in constant alinement with changing demands and performance criteria so that the Service will always be responsive to the needs of American business, agriculture, labor, and industry.

Other matters to be considered include border and visa problems, administrative procedures, and ways to effect a better coordination of the activities of the officers stationed in the Capital and the field.

A similar conference was held last fall in Ottawa for Foreign Service personnel in Canada. Plans are under way to arrange consular sessions later in the year in South Africa.

⁴ BULLETIN of July 27, 1947, p. 198.

⁵ Included in the report are Annex A, text of the agreement with China, for which see BULLETIN of Nov. 23, 1947, p. 1005, and also TIAS 1687, and Annex B, text of the agreement with Burma, for which see TIAS 1685.

Lincoln MacVeagh Appointed Ambassador to Portugal

The White House announced on March 5 the appointment of Lincoln MacVeagh, former Ambassador to Greece, as Ambassador to Portugal, replacing John C. Wiley, who has been named Ambassador to Iran. Mr. MacVeagh's successor at Athens has not yet been selected.

THE DEPARTMENT

Loyalty of State Department Employees

Statement by Secretary Marshall

[Released to the press March 10]

Charges have been made regarding the loyalty of State Department employees. I am aware of the importance of insuring the loyalty of personnel serving the Department. Our special authority to terminate employment obviously places a heavy responsibility on us to see that the personnel is dependable and that we act with fairness and decency.

The Department's policy gives the benefit of

doubt to the Government when questions of employees' loyalty arise. But the doubt must be based on reliable evidence. We must carefully avoid action based on spiteful, unsupported, or irresponsible allegations.

I have confidence in the loyalty of the personnel. I regret the undermining of the confidence of the people in the Department, especially at this critical juncture.

U.S. Professor and Chilean Physician Extended Grants-in-Aid

A grant-in-aid has been extended by the Department of State to the following: Santiago Risco MacClure of Santiago, Chile, to enable him to spend a year as research consultant at the Washington University, St. Louis, Missouri; Philip W. Thayer of Washington, D.C., for a two weeks' visit to Habana, Cuba, to confer with officials of the University of Habana and others regarding an international faculty exchange program in the field of law.

Transfer of Nondemilitarized Combat Matériel

[Released to the press March 4]

The following is a list of authorizations and transfers of surplus nondemilitarized and demilitarized combat matériel effected by the Department of State in its capacity as foreign-surplus and lend-lease disposal agent, during the months of February, May, July, October, November, and December 1947 and not previously reported to the Munitions Division:

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
Argentina . . .	One J 2F-5 aircraft (Navy utility amphibian biplane) . .	\$10,000.00	\$3,500.00	1947 Feb. 12
Brazil	Miscellaneous cartridges and metallic belt links	271,906.81	27,180.79	Dec. 26
	8,020 100-lb. practice bombs and charges	26,867.00	2,686.70	Dec. 26
Canada	21 light tanks, M5A1, and 100 assembly stabilizers with fin, for use with practice rifle grenade M11.	568,224.00	17,454.00	Dec. 9
China	50 LST'S or landing ships, tank (demilitarized). (Partial sale of landing craft located at Subic Bay, Republic of the Philippines).	80,890,000.00	1,400,000.00	October
Cuba	Miscellaneous cartridges, shells, shell fins, percussion primers, canisters, shot, grenades, signals.	345,430.63	30,695.45	Dec. 12
	6 tank engines, 36 bundles of track assemblies, and miscellaneous spare parts for light tanks, M3A1.	99,422.60	4,971.13	Dec. 12
Ecuador	Miscellaneous shells, shot, cartridges, and canisters . . .	49,085.53	2,451.41	Dec. 9
	Miscellaneous cartridges, clips, shells, grenades, and rockets.	151,732.27	12,847.23	Dec. 22
El Salvador . .	3 tank engines, 18 bundles of shoe-track assemblies and miscellaneous spare parts for light tanks, M3A1.	49,711.31	2,485.57	Dec. 15
France	15 P-51 aircraft and spare parts for one year's maintenance.	787,335.00	157,467.00	Nov. 26
Netherlands . .	2 B-17, 3 P-47 and 3 P-51 aircraft, (demilitarized, non-flyable, for ground instruction only, in educational institutions).	877,158.00	1,300.00	July
Uruguay	Miscellaneous cartridges, metallic belt links, practice bombs, and charges.	22,513.31	2,254.53	Nov. 6
Venezuela . . .	Miscellaneous cartridges, metallic belt links, practice bombs, charges, bombs, fuzes, assembly fins, and aiming wire assemblies.	70,264.93	7,029.21	Dec. 9

Appointment of Officers

W. Park Armstrong, Jr., as Special Assistant to the Secretary for Research and Intelligence, effective January 21, 1948.

PUBLICATIONS**Department of State**

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Education: Cooperative Program in Ecuador. Treaties and Other International Acts Series 1660. Pub. 2981. 17 pp. 10¢.

Agreement Between the United States of America and Ecuador—Effectuated by Exchange of Notes Signed at

Quito January 22, 1945; entered into force January 22, 1945.

Mobile Radio Transmitting Stations. Treaties and Other International Acts Series 1670. Pub. 3005. 3 pp. 5¢.

Interim Arrangement Between the United States of America and Canada—Effectuated by exchange of notes signed at Washington June 25 and August 20, 1947; entered into force August 20, 1947.

Diplomatic List, February 1948. Pub. 3048. 186 pp. 20¢ a copy; \$2 a year.

Monthly list of foreign diplomatic representatives in Washington with their addresses.

National Commission News, March 1, 1948. Pub. 3053. 10 pp. 10¢ a copy; \$1 a year.

Prepared monthly for the United States National Commission for the United Nations Educational, Scientific and Cultural Organization.

Current United Nations Documents: A Selected Bibliography¹**Department of Public Information: Research Section**

- Background Paper No. 27. Genocide. 9 pp. mimeo.
 Background Paper No. 28. Sixth Session of the Economic and Social Council. 14 pp. mimeo.
 Background Paper No. 29. United Nations Maritime Conference. 11 pp. mimeo.
 Background Paper No. 30. United Nations Conference on Freedom of Information. 30 pp. mimeo.
 Background Paper No. 31. The Security Council. 20 pp. mimeo.
 Background Paper No. 32. The Corfu Channel Case. 7 pp. mimeo.

Economic and Social Council

- Official Records. Second Year. Fourth Session. Supplement No. 2. Report of the Commission on the Status of Women. E/281/Rev. I, E/281/Add. 1, Mar. 15, 1947. 14 pp. printed. [15¢.]
 —Supplement No. 6. Report of the Statistical Commission. 17 pp. printed. [20¢.]

General Assembly

- Place of Meeting of the Third Regular Session of the General Assembly. A/524, Feb. 12, 1948. 19 pp. mimeo.
 United Nations Temporary Commission on Korea. Second Information Report on the Work of the Commission. A/525, Feb. 17, 1948. 13 pp. mimeo.
 Interim Committee of the General Assembly. Problem of the Independence of Korea. Some Basic Facts Concerning the Problem. A/AC.18/22, Feb. 12, 1948. 11 pp. mimeo.

Security Council

- Letter from the Representatives of the United Kingdom and the United States Dated 17 February 1948 Addressed to the President of the Security Council Transmitting the Report of the Administration of the

British—United States Zone of the Free Territory of Trieste. S/679, Feb. 18, 1948. iv, 46 pp. mimeo.

Official Records

- First Year: First Series. Supplement No. 1, 83 pp. printed. [75¢.]
 —Second Year. No. 54, 151st meeting, 3 July 1947. 13 pp. printed. [10¢.]
 —Second Year. No. 55, 152nd and 153rd meetings, 8 July 1947. 40 pp. printed. [40¢.]
 Letter from the Chairman of the United Nations Palestine Commission to the President of the Security Council [Transmitting the first special report to the Security Council, The Problem of Security in Palestine]. S/676, Feb. 16, 1948. 19 pp. mimeo.
Official Records:
 —First Year, Second Series, Supplement No. 12A. 20 pp. printed. [35¢.]
 —Second Year. No. 40, 134th meeting, May 16, 1947. 22 pp. printed. [20¢.]
 —No. 41, 135th meeting, May 20, 1947. 23 pp. printed. [40¢.]
 —No. 42, 136th and 137th meetings, May 22, 1947. 60 pp. printed. [60¢.]
 —No. 43, 138th meeting, June 4, 1947. 16 pp. printed. [15¢.]
 —No. 48, 143d and 144th meetings, June 20, 1947. 22 pp. printed. [20¢.]
 —No. 49, 145th meeting, June 24, 1947. 27 pp. printed. [20¢.]
 —No. 50, 146th meeting, June 25, 1947. 21 pp. printed. [20¢.]
 —No. 51, 147th and 148th meetings, June 27, 1947. 42 pp. printed. [40¢.]

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

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Contributors

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The Department of State

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COMMENTS ON THE INTERNATIONAL WHEAT AGREEMENT

By Edward G. Cale

Negotiations which have continued for approximately 15 years looking toward an agreement within the framework of which a major portion of international trade in wheat would take place were brought to a successful conclusion on March 6, 1948. The final phases of these negotiations occurred during a Special Session called for this purpose by the International Wheat Council, which was established in 1942 under a memorandum of agreement initialed by representatives of the Governments of Argentina, Australia, Canada, the United Kingdom, and the United States.

The general form of the agreement is the same as that of the draft formulated in negotiations at the International Wheat Conference held in London in March and April 1947,¹ i. e., a multilateral contract under which member exporting countries agree to supply specified quantities of wheat to member importing countries, if called upon to do so at the maximum prices provided for in the agreement, and member importing countries agree to purchase specified quantities of wheat from member exporting countries, if called upon to do so at the minimum prices provided for in the agreement. Since the agreement assures exporting countries markets for a substantial part of the wheat they are able to produce for export at prices which are not lower than the minimum prices which the agreement provides, it should encourage the producing countries to maintain production at least during the continuation of the present cereals shortage. In addition, the commitments by the exporting countries to supply specified quantities of wheat to the importing countries at prices no higher than the maximum prices which the agreement provides should make it possible for the importing countries to plan their agricultural production with greater certainty that imported wheat will be available. In this way the agreement should encourage the importing countries to diversify their agriculture and to utilize their agricultural resources to greater advantage than would otherwise have been possible.

The principal problem regarding the agreement that was left unresolved by the London conference related to the maximum and minimum prices that should be provided for in the agreement. There was, however, as the Special Session of the

Wheat Council indicated, a number of other questions on which full agreement was not reached in the London conference. In its final meeting, that Conference entrusted to the International Wheat Council the task of bringing the negotiations to a successful conclusion. Membership in the Council had been increased to 13 prior to the London conference, the following countries having accepted an invitation of membership issued by the Council in March 1946: Belgium, Brazil, China, Denmark, France, India, Italy, and the Netherlands. The Union of Soviet Socialist Republics and Yugoslavia, which were also issued invitations at the same time, did not become members.

In entrusting the task of negotiating the agreement to the Wheat Council, the London conference recommended that invitations to membership in the Council be extended to all countries that were represented at the Conference. Between the time of the London conference and the meeting of the Special Session of the Wheat Council in which the wheat-agreement negotiations were completed, 15 additional countries became members of the Council, namely: Austria, Colombia, Czechoslovakia, the Dominican Republic, Egypt, Greece, Ireland, Lebanon, Mexico, New Zealand, Norway, Peru, Poland, Portugal, and Uruguay, thus bringing membership in the Council to 28.

The first important step taken by the Council pursuant to the request of the London conference occurred at the Council's meeting on December 8, 1947, when a Special Session was agreed upon for January 28 for the purpose of negotiating and signing an international wheat agreement. It also established a Special Committee (consisting of the representatives of Australia, Brazil, Canada, France, India, the Netherlands, the United Kingdom, and the United States), instructing it to do any preparatory work which would expedite the proceedings of the Special Session. This Committee met on December 9 and 29, 1947, and on January 5 and 6, 1948, and prepared a report to the International Wheat Council stating what it considered to be the substantive issues facing the Special Session, namely: the questions of

¹ For a discussion of this Conference and a brief summary of the negotiations leading up to it see *BULLETIN* of June 1, 1947, p. 1053.

duration of the agreement, the maximum and minimum prices for which it should provide, the equation of guaranteed import and export quantities, and the inclusion in the agreement of provisions giving the Council added responsibility and authority to deal with emergency needs for wheat that might arise. It was necessary to devise a way of bringing the guaranteed import and export quantities provided for in the agreement into equality, since importing countries had indicated in London a desire to purchase substantially larger quantities of wheat than exporting countries were in a position to commit themselves to supply.

In its December 8, 1947, meeting, the Council agreed to invite to its Special Session all countries which had been invited by the United Kingdom Government to attend the Wheat Conference in London in March and April 1947, namely, all countries which were members either of the United Nations or of the Food and Agriculture Organization. Each of the 28 countries which were members of the Wheat Council were represented by delegations at the Special Session. In addition, 13 other countries accepted the Council's invitation and were represented by delegates or observers. These were Afghanistan, Cuba, Ecuador, Finland, Guatemala, Iran, Liberia, Pakistan, Philippines, Sweden, Switzerland, Union of South Africa, and Venezuela. The Special Session was therefore attended by representatives from 41 countries, and by observers from United Nations, Food and Agriculture Organization, International Bank for Reconstruction and Development, and the International Monetary Fund.

A number of governments sent specially instructed representatives to the Special Session. The United Kingdom, for example, sent Sir Herbert Broadley and John Wall of the British Ministry of Food from London. Other governments were represented by their regular delegations to the International Wheat Council who were, of course, under special instructions regarding the subject matter before the Special Session. The United States was represented at the Special Session by its regular delegation to the International Wheat Council. This is composed of N. E. Dodd, Under Secretary of Agriculture; Leroy K. Smith, Director, Grain Branch, Department of Agriculture; L. A. Wheeler, until March 1, 1948, Director, Office of Foreign Agricultural Relations, Department of Agriculture, and since then a member of the United States Foreign Service; and Edward G. Cale, Associate Chief, International Resources Division, Department of State.

Mr. Wheeler, who is Chairman of the Council, presided at all meetings of the Special Session. The Secretary of the Council, Andrew Cairns, served as Secretary of the Special Session.

Since the major issues to be faced at the Special Session were already well understood, the organi-

zation of the Session was relatively simple and only two regular committees were established: a Steering Committee consisting of representatives of those countries that had served on the Special Committee established by the Wheat Council on December 8, 1947, to prepare for the Session, and a Price Equivalents Committee. Although the former was in a position to consider all problems of procedure coming before the Special Session, most of its attention was devoted to questions relating to the duration of the agreement, to the basic minimum and maximum prices that it should contain, and to the consideration of methods for moderating severe price changes from one crop year to another within the price ranges. The Price Equivalents Committee was established to resolve one of the problems which had not been settled at the London Wheat Conference, i.e., to determine in the currencies of Australia and the United States, respectively, the maximum and minimum prices for certain types of their wheat in relation to a grade of Canadian wheat, which was taken as the basic grade for purposes of the agreement.

Mr. Wheeler and Mr. Cairns were elected chairman and secretary, respectively, of the Steering Committee. John Wall of the United Kingdom Delegation was elected chairman of the Price Equivalents Committee and James McAnsh of the staff of FAO served as the Committee's secretary. Australia, Canada, India, the United Kingdom, and the United States were represented on the Price Equivalents Committee.

Problems which could not be handled in full meetings of the Council on subjects other than those falling within the purview of the Steering Committee and the Price Equivalents Committee were referred to *ad hoc* working parties or groups. The most important of these was the so-called "First Working Party" established to consider the equation of the guaranteed export and import quantities, and a proposal made by the United States Delegation to extend the provisions of the London draft agreement relating to emergencies in periods of acute scarcity. This was the only working party or group whose period of activity extended virtually throughout the entire Special Session. The following countries were represented on it: Australia, Belgium, Canada, China, Egypt, France, Greece, India, Ireland, Italy, Norway, the United Kingdom, and the United States. The head of the Indian Delegation, J. Vesugar, served as the Working Party's chairman and John W. Evans of the staff of FAO as its secretary.

The first meeting of the Special Session was held on January 28, 1948, and the last meeting on March 6, 1948. During this period the Session recessed for approximately one week, from the afternoon of February 26 until the morning of March 4. This recess was required to enable delegations to obtain final instructions from their

governments regarding the outstanding unsettled issues at the time. The recess was agreed upon by the Special Session in the hope that the negotiations could be completed within a short time after the Session reconvened.

All meetings of the Special Session except the final meeting on March 6 were in executive session. Arrangements were made, however, for the Chairman and the Secretary of the Special Session to meet with representatives of the press from time to time and to issue releases in order that the press and the public might be kept advised of the progress of the negotiations. At the final session on March 6, which was open to the public, copies of the agreement that had been negotiated and of a release describing its principal features were distributed to the press.

The agreement consists of a preamble and 22 articles. The preamble indicates that the countries signing the agreement have done so "recognizing that there is now a serious shortage of wheat, and that later there may be a serious surplus; believing that the high prices resulting from the present shortage and the low prices which would result from a future surplus are harmful to their interests, whether they are producers or consumers of wheat; and concluding therefore that their interests, and the general interest of all countries in economic expansion, require that they should cooperate to bring order into the international wheat market". The agreement's objectives, as stated in article I, "are to assure supplies of wheat to importing countries and to assure markets to exporting countries at equitable and stable prices".

The essence of the agreement is contained in articles II through VI. Article II, dealing with rights and obligations of importing and exporting countries, contains two annexes. Annex I gives in metric tons and in bushels the "guaranteed purchases" of each of the signatory importing countries. Annex II gives the "guaranteed sales" of each of the exporting countries.

Article III provides for the supplying to the Council by the contracting governments of the information regarding sales for export, and export, and purchases for import, and import, of wheat which is necessary for the record keeping by the Council that will be required in the administration of the agreement.

Article IV deals with the enforcement of rights. It provides that any importing country which at any time finds difficulty in making its guaranteed purchases at the maximum price may, through the Council, call upon the exporting countries to supply wheat up to the amount which the exporting countries have guaranteed to supply the importing country in question and that any exporting country which at any time finds difficulty in making its guaranteed sales at the minimum price may,

through the Council, call upon the importing countries to purchase wheat up to the amount which the importing countries have guaranteed to purchase from the exporting country in question. The exporting countries may be called upon by the importing countries to deliver wheat only at the maximum price. The importing countries may be called upon by the exporting countries to purchase wheat only at the minimum price. Transactions in wheat over and above the guaranteed quantities are not subject to the terms of the agreement.

Article V deals with the adjustment of obligations. It provides that any contracting government which fears that it may be prevented by circumstances, such as a short crop in the case of an exporting country or such as the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations and responsibilities under the agreement shall report the matter to the Council. It also provides that the Council, if it finds that the country's representations are well-founded, shall seek to bring about an adjustment in obligations through the voluntary assumption of those obligations by other contracting countries. It provides further that in the event it is not possible to adjust the obligations on a voluntary basis the Council shall reduce the quantities in the appropriate annex to article II, on a proportional basis, in order to bring the total quantities in the annexes into equality with each other.

Article VI deals with prices. This article, as was the case in London, raised the most difficult problems that had to be considered. As finally negotiated, the article provides for a uniform maximum price of \$2.00 per bushel and for a minimum price of \$1.50 in the first year, \$1.40 in the second year, \$1.30 in the third year, \$1.20 in the fourth year, and \$1.10 in the fifth year. These prices are for no. 1 Manitoba Northern wheat in store Fort William/Port Arthur, expressed in terms of Canadian currency per bushel at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as of February 1, 1948. Under this definition one dollar Canadian currency is equal to one dollar United States currency. Under the definition of "wheat" used in the agreement, wheat includes flour in terms of wheat equivalent in every case where the term occurs, except in this article and in article IX dealing with stocks which are to be held by exporting and importing countries.

No provision was incorporated in the agreement specifically for the purpose of moderating fluctuations within the limits set by the basic maximum and minimum prices, although a provision which was contained in the London draft agreement was included, under which the Council may, by a two-thirds majority of the votes held by the

exporting and importing countries voting separately, determine the minimum and maximum prices for the third, fourth, and fifth years of the agreement, provided that the minimum price so determined is not lower than the basic minimum price and the maximum price so determined is not higher than the basic maximum price referred to earlier (i.e., the minimum may not be lower than \$1.50 in the first year, \$1.40 in the second year, et cetera, and the maximum may not be higher in any year than \$2.00).

With one exception, voting under the agreement is on a weighted basis with the weight of the vote being determined by the quantity of wheat which a country is committed to buy or sell and with 50 percent of the total vote being exercised by exporting countries and 50 percent by importing countries. The exception relates to voting on the seat of the Council under paragraph 10 of article XI in which case each delegate has one vote.

From the foregoing discussion it is evident that of the problems mentioned in its report to the Council by the Council's Special Committee, the question of duration was settled on the basis of five years, that the price range question was settled on the basis of a uniform ceiling of \$2.00 and a floor beginning at \$1.50 and dropping by 10-cent stages to \$1.10 in the fifth year, and that no provision for narrowing price fluctuations within these limits was made which can take effect without a two-thirds majority vote of exporters and importers, voting separately. Since Canada and the United States each hold more than one third of the exporter vote and since the United Kingdom holds more than one third of the importer vote, it is apparent that no change in the maximum and minimum prices can be made without the concurrence of each of these countries.

The problem of equating the guaranteed export and import quantities, as indicated earlier, arose from the fact that the importing countries which had expressed a desire to participate in the agreement wished to commit themselves to purchase larger quantities of wheat under the agreement than the exporting countries were in a position to agree to supply. Some of the countries desiring to purchase additional quantities were prepared to commit themselves to do so for each of the five years of the agreement. Others needed substantially larger quantities of wheat in the earlier years than in the later years, since they expected their domestic production, which in many instances had been reduced by the war, to increase materially during the life of the agreement. In equating the guaranteed export and import quantities, the relationship of those quantities to the allocations of the importing countries that have been recommended by the International Emergency Food Committee of the Council of the Food and Agriculture Organization and the allocations it is likely

to recommend for them during the continuation of the present cereals shortage was also extensively discussed. The problem of bringing the two quantities into equality was complicated further because a number of importing countries which had not previously indicated their intention of participating in the agreement did so during the Special Session. It was finally agreed that the guaranteed quantities of the importing countries should be uniform for each of the five years of the agreement. After the exporting countries had indicated that they were not in a position to accede to a request that they supply more than 500 million bushels of wheat under the agreement, the total of the guaranteed purchases by the importing countries was reduced to 500 million bushels. Of this amount Australia is to supply 85 million bushels, Canada 230 million bushels, and the United States 185 million bushels. The reduction in the guaranteed purchases of the importing countries was made by first applying a uniform percentage reduction to the quantities of the individual importing countries and then by working out further selective reductions for a number of such countries.

Near the close of the Conference in London, the United States Delegation had introduced a resolution which would have provided that so long as wheat is in short supply, importing countries should not buy from any source quantities of wheat or substitute grains suitable for direct human consumption in excess of their guaranteed quantities in the proposed agreement, except to the extent that the International Emergency Food Council (now the International Emergency Food Committee of FAO) or any successor organization has recommended that they receive larger quantities and that the exporting countries should agree not to sell to any country a quantity of wheat or substitute grains if this would cause it to receive more than its guaranteed quantity, unless that country were free to do so by virtue of the fact that its recommended allocation was in excess of the quantity guaranteed to it under the agreement. The purpose of this resolution was to prevent the agreement from interfering with international cooperation in the distribution of wheat, on the basis of need, during the continuation of the present cereals shortage. The Conference took no action on this resolution in view of the fact that it was impossible to conclude a wheat agreement at the Conference. However, in passing on to the Wheat Council the task of continuing the negotiations looking toward an international wheat agreement, the Conference also transmitted the resolution to the Council.

There are a number of reasons why the United States Delegation introduced this resolution. These included the following, in addition to the general desire of the United States not to permit the agreement to interfere with an equitable inter-

national distribution of wheat during the present shortage:

First, the possible harmful effect that the agreement might otherwise have on the United States occupation programs in such countries as Germany and Japan.

Second, the possibility that in its absence the agreement might interfere with the efforts of importing countries that were members of the agreement to obtain supplies of wheat over and above the quantities which they were guaranteed under the agreement, even though their allocations recommended by IEFEC might indicate that they needed such wheat.

Third, the possibility that nonrecognition of the responsibility of IEFEC in this way might lead to a lack of interest in its operations on the part of certain importing countries and possibly to discontinuance of IEFEC itself before the need for such an organization had passed.

A fourth problem which was related to the foregoing but not covered by the resolution was the belief of the delegation that some provision should be made in the agreement to permit reductions in the quantities guaranteed to certain importing countries under the agreement in order to make wheat available to other countries in greater relative need if wheat for this purpose could not be obtained in any other way. The delegation later pressed for an addition to the agreement along this line, both in the meetings of the Special Committee that prepared for the Special Session of the Wheat Council and at the Special Session of the Council itself.

The first of these problems was met in the Special Session by the adoption of the following footnote to annex II to article II referring to the sales guaranteed by the United States:

"In the event of the provisions of paragraph 1 of Article V being invoked by reason of a short crop it will be recognized that these guaranteed sales do not include the minimum requirements of wheat of any Occupied Area for which the United States of America has, or may assume, supply responsibility, and that the necessity of meeting these requirements will be one of the factors considered in determining the ability of the United States of America to deliver its guaranteed sales under this Agreement."

The purpose of this footnote is to call attention to the possibility that the United States in some year in which its crop is short might not be able to supply the full 185 million bushels of wheat which it is committed to supply under the agreement because of its obligation to furnish wheat to meet the minimum requirements of the occupied areas. The footnote does not imply the giving of any preference to those areas relative to countries

that are members of the agreement as to the level of supplies in relation to need. During meetings of the Special Session the United States Delegation pointed out that so long as the cereals shortage continues it anticipates that the needs of the occupied areas will be screened by IEFEC in the same way as in the past. Should the United States ever find it necessary to invoke the above-mentioned provision, under these conditions, it would hope to be able to come to the Council with a figure as to the requirements of the occupied areas that had been unanimously agreed to by the members of IEFEC. Membership in IEFEC and the Wheat Council are virtually the same, but it is the responsibility of IEFEC, rather than the Wheat Council, to recommend the international distribution of wheat on the basis of relative need.

The responsibility of IEFEC in this connection was recognized by the Special Session in the unanimous adoption of the following resolution which also met the second and third problems mentioned above:

"The Special Session of the International Wheat Council, held in Washington January-March 1948, recognizes that the International Emergency Food Committee of the FAO Council is the appropriate body to recommend the international distribution of wheat and other grains used for human consumption during the continuation of the present severe food emergency, and that international trade in wheat and other grains during this emergency should be in accordance with that Committee's recommendations, provided that the recommended distribution of wheat to no country is less than its guaranteed purchases under the International Wheat Agreement after adjustments, if any, effected in accordance with the provisions of Article V of that Agreement."

Since certain of the importing countries feared that this resolution might be taken by IEFEC to imply that the countries' total requirements for wheat were covered by their guaranteed purchases under the agreement, the Special Session also unanimously adopted the following resolution:

"The Special Session of the International Wheat Council, held in Washington January-March 1948, hereby instructs its Secretary to inform the International Emergency Food Committee of the FAO Council that as the figures in Annex I to Article II of the International Wheat Agreement, signed in Washington in March-April 1948, do not represent the total requirements of the signatory countries they should not be regarded as a measure of these countries' needs."

The fourth problem was met by the addition of a new paragraph (paragraph 6) to article V on "Adjustment of Obligations". This paragraph states that:

"If, in order to meet a critical need which has arisen or threatens to arise, a contracting Government should appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed quantity, the Council may, by two-thirds of the votes held by the Governments of importing countries and by two-thirds of the votes held by the Governments of exporting countries, reduce the guaranteed import quantities of the other contracting importing countries for the current crop-year, on a *pro rata* basis, by an amount sufficient to provide the quantity of wheat which the Council determines to be necessary to relieve the emergency created by the critical need, provided that the Council agrees that such emergency cannot be met in any other manner."

In view of the fact that the agreement is, in effect, a multilateral bulk-purchase contract, the initial signatories will be limited to those countries which have indicated an intention to participate in it by signifying the quantity of wheat which they are willing to guarantee to sell or purchase pursuant to its provisions. There are 36 such countries, 3 exporting countries and 33 importing countries. These include all of the countries attending the conference with five exceptions, namely: Argentina, Finland, Iran, Pakistan, and Uruguay. Of these, two, Argentina and Uruguay, are members of the present Wheat Council. At the Special Session the Argentine Representative indicated, as he had in London, that his Government was not prepared to accept the provisions in the agreement under which a maximum price would have been established for wheat exported from Argentina.

Uruguay is in a position of having to import wheat in some years and to export wheat in others. During the Special Session a provision was added to the London draft of the agreement (paragraph 2 of article XI) under which a country that is in this position may become a nonvoting member of the Council provided it agrees to supply the Council with the statistical information regarding its transactions in wheat which is required of other participating countries and that it agrees to pay the membership fee determined by the Council. Such a nonvoting member need not sign the agreement but may become a nonvoting member by indicating to the Council its willingness to meet the conditions stated immediately above. Any such country or any other country may become a voting member of the Council by accession in accordance with the provisions of article XXI. This article states that subject to unanimity, any government may accede to the agreement under such condi-

tions as the Council may lay down. It will, of course, be impossible for any government to accede to the agreement prior to the time it enters into force in respect to the articles dealing with procedural and administrative questions, namely, July 1, 1948. The date on which the articles dealing with substantive questions (quantities, prices, etc.) enter into force is August 1, 1948. In the event of a country acceding to the agreement, the quantity of wheat that the country guarantees to sell or to purchase would be entered in the appropriate annex to article II and a corresponding change would have to be made in the other annex.

Of the countries represented at the Special Session which are not now members of the Wheat Council and which did not indicate their intention during the Special Session of participating in the agreement, Finland is now obtaining her entire requirements of imported wheat from exporting countries that are not members of the agreement, Iran is a small exporter of wheat whose supplies are customarily shipped to nearby countries, and Pakistan, although a relatively large producer of wheat, has customarily shipped its excess wheat to areas which now comprise India.

Although the agreement remains open for signature until April 1, 1948, representatives of 15 countries signed it at the close of the Special Session.² These included two of the three exporting countries—Canada and the United States—13 of the 33 importing countries—China, Columbia, Denmark, Egypt, Greece, India, Ireland, Lebanon, Liberia, Netherlands, Peru, Portugal, and the United Kingdom. The countries which signed the agreement at that time account for more than 80 percent of the wheat covered on the export side and more than 60 percent on the import side.

The agreement is subject to formal acceptance by the signatory governments. It provides (paragraph 2, article XX) that instruments of acceptance shall be deposited with the Government of the United States of America by July 1, 1948; provided, however, that an additional period shall be allowed by the Council for the deposit of instruments of acceptance on behalf of those importing countries which are prevented by a recess of their respective legislatures from accepting it by July 1, 1948. In the case of the United States, the agreement will, of course, be submitted to Congress for approval.

Many administrative problems that must be met before the substantive provisions of the agreement are placed in effect on August 1, 1948. Before these provisions are placed in effect the Council and the participating countries must know whether or not enough countries have formally accepted the agreement to insure its successful operation. For this reason it was decided to place the procedural and administrative provisions in effect on July 1, 1948, and that provision was made (paragraph 3, article XX) that the first meeting of the

² By Mar. 25 seven additional countries had signed; Australia, bringing exports covered by countries which had signed to 100 percent, and Belgium, Cuba, New Zealand, Norway, Republic of the Philippines, and Switzerland, bringing imports covered to more than 70 percent.

new International Wheat Council, which is established by article XI, shall be convened in July 1948 in Washington by the Government of the United States of America. At this meeting any government which has formally accepted the agreement but which is of the opinion that the guaranteed purchases or guaranteed sales of the countries whose governments have formally accepted it are insufficient to insure its successful operation may effect its withdrawal by notification to the Government of the United States. In the event of failure to accept by a government or by governments whose guaranteed purchases or sales are, in the opinion of the governments which have ratified, not of sufficient importance to prevent the effective operation of the agreement, the Council would be required to make adjustments in the guaranteed quantity or quantities in the appropriate annex to article II.

The Council in its final meeting of the Special Session recognized that a considerable amount of work would have to be done between the close of the Session and the first meeting of the new Wheat Council in July 1948. It therefore appointed a Preparatory Committee to make recommendations for the consideration of the new Council, including recommendations on rules of procedure, the records to be kept in accordance with the provisions of article III, the budget for the crop year 1948-49, the work of the new Council's secretariat, and any other draft plans which, in the opinion of the Preparatory Committee, would assist the new Council to make at its July meeting

the arrangements necessary to commence the operation of the agreement on August 1, 1948. Sir Herbert Broadley of the United Kingdom Delegation was appointed chairman of the Committee which includes representatives of the following countries in addition to the United Kingdom: Australia, Brazil, Canada, Egypt, France, India, Benelux, and the United States. The Council provided further that the Preparatory Committee should hold at least three formal meetings, the first and second in London in April and May, respectively, and the third in Washington early in June 1948.

This agreement is the result of an attempt on the part of the participating countries to find a multilateral solution to serious problems in respect of wheat which either exist at present or are expected to arise in the near future. The multilateral approach to such problems is envisioned in the chapter on intergovernmental commodity agreements of the charter for an International Trade Organization which was sponsored by the United States Government and which during the negotiations at the Habana Conference proved acceptable to all the governments that indicated their intention of participating in the organization. From this viewpoint the agreement assumes added importance since it is the first agreement negotiated in the light of the principles regarding commodity agreements that are contained in the ITO charter, and since it will therefore, in a sense, be a test case as to whether the multilateral approach envisioned is capable of being applied in the case of a specific commodity.

Statements, Addresses, and Broadcasts of the Week

The President	Toward securing the peace and preventing war. Printed in this issue.	Address before the Congress on Mar. 17.
The President	On foreign and domestic policies. Not printed. Released to the press by the White House on Mar. 17.	Address made before the Society of the Friendly Sons of St. Patrick in New York City on Mar. 17.
Secretary Marshall	World-wide struggle between freedom and tyranny. Printed in this issue.	Address made in Berkeley on Mar. 19.
Secretary Marshall	On the present world situation. Not printed. Text issued as press release 221 of Mar. 20.	Address made in Los Angeles on Mar. 20.
Secretary Marshall	Relation of military strength to diplomatic action. Printed in this issue.	Statement before the Armed Services Committee of the Senate on Mar. 17.
Assistant Secretary Norman Armour	On questions to be considered at the forthcoming International Conference of American States. Not printed. Text issued as press release 224 of Mar. 20.	Broadcast over the NBC network on Mar. 20.
Philip C. Jessup	On problem of voting in the Security Council. Printed in this issue.	Statement made in the Interim Committee on Mar. 15.
Winthrop G. Brown, Acting Director, Office of International Trade Policy	U.S. foreign economic policy. Not printed. Text printed as Department of State publication 3097.	Address made before the Texas Cotton Association in Corpus Christi on Mar. 19.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

U.S. Position on the Palestine Problem

STATEMENT BY AMBASSADOR WARREN R. AUSTIN¹

U.S. Representative in the Security Council

The resolution adopted by the Security Council on 5 March 1948 requested the permanent members of the Security Council "to consult and to inform the Security Council regarding the situation with respect to Palestine . . ."

A brief report on the above part of the resolution was made this morning. With respect to that report, I wish to comment upon paragraph 4, which reads:

"The Palestine Commission, the mandatory power, the Jewish Agency and the Arab Higher Committee have indicated that the partition plan cannot be implemented by peaceful means under present conditions."

The representative of the Jewish Agency, Dr. Silver, apparently had no complaint with respect to paragraph 4 provided the emphasis was in the right place. He laid the emphasis on the last words, "under present conditions". So do we.

Paragraph 5 of the report given this morning reads:

"The mandatory power has confirmed that a considerable number of incursions of illegal arms and armed elements into Palestine have occurred by land and sea."

For the information of the Security Council, I shall read the testimony obtained from the mandatory power on this point. The members have before them a document submitted by the Secretary-General. The portion which I shall read is found on the ninth page of the document. The questions referred to were addressed to the mandatory power.

"QUESTION 1: Have any incursions by armed elements from outside Palestine occurred in addition to those already reported to the Palestine Commission by the mandatory power?"

The members will note that the incursions referred to are in addition to those already reported. The following is the answer given to question 1.

"ANSWER 1: The following information is now available in addition to that already supplied:

"(a) On or about 24 February, between 500 and

1000 Iraqis, Lebanese, Syrians, Egyptians and Transjordanians entered Samaria and Galilee across the Jordan and the Palestine-Lebanon frontier.

"(b) A band of up to 500 Yugoslavs presumed to be Bosnian Moslems were reported en route to the Lydda District during the first week of March.

"(c) On the 5th/6th March, a small party under Fawzi Bey Kawukji entered Palestine. Kawukji's present whereabouts and intentions are unknown, and no report of his having established a permanent headquarters have been received by the British authorities.

"(d) Numbers of Egyptians have entered Gaza District in parties of up to 100 at a time. It is possible that other smaller contingents have entered unreported."

"QUESTION 2: Has the mandatory power been able to identify personnel involved in such incursions?"

"ANSWER 2: The information of the Palestine authorities regarding the origin of personnel involved in these incursions is derived from common knowledge available locally and from intelligence reports. As regards the character of these forces, they consist of irregular formations and not organized units of any national armed force."

I shall skip question 3 as it does not bear on this point.

"QUESTION 4: Are arms now flowing into Palestine from outside sources to individuals or groups unauthorized by the mandatory power to possess arms?"

"ANSWER 4: Both Arabs and Jews in Palestine are now receiving illicit consignments of arms from outside sources. While the Palestine Government have no exact knowledge of the quantity and description of arms possessed by either side, it is their opinion that the Jews are better armed than the Arabs. In this connection it will be recalled that there have recently been instances of the seizure in the United States by United States authorities of large consignments of high explosives destined for Jewish organizations in Palestine.

"As regards the possibility which has been suggested of illicit importation of arms by aircraft landing in the desert, the Palestine Government

¹ Made in the Security Council on Mar. 19, 1948 (U.N. doc. S/P. V. 271, Mar. 19, 1948).

consider this unlikely. Such clandestine importation by air would, however, be easier for the Jews than for the Arabs, in view of the better facilities possessed by the former for wireless communication and for distribution of arms after receipt.

QUESTION 5: What measures, military and civil, by the mandatory power are now in effect to prevent the movement of hostile elements into Palestine from outside Palestine?

ANSWER 5: The principal points of entry by land are guarded by troops or police, but owing to the length of the frontier and the difficult nature of the terrain, it is impossible for frontier control to be one hundred per cent effective. As regards the sea frontier, the measures taken by the mandatory authorities to prevent the entry of Jewish illegal immigrants are well-known."

The preamble of part II of my statement of this morning reads:

"1. As a result of the consultations of the permanent members regarding the situation with respect to Palestine, they find and report that a continuation of the infiltration into Palestine by land and by sea of groups and persons with the purpose of taking part in violence could aggravate still further the situation."

This language was intended to exclude, and we think that it does exclude, those unfortunate people who are seeking sanctuary in the Holy Land, referred to as being on the Island of Cyprus. There may also be others. The language of this paragraph also excludes legal immigrants. The meaning is clearly defined: "groups and persons with the purpose of taking part in violence."

The second duty under the Resolution adopted by the Security Council was for the permanent members to make recommendations to the Security Council, as a result of their consultations, regarding the guidance and instructions which the Security Council might usefully give to the Palestine Commission with a view of implementing the Resolution of the General Assembly.

In support of the position which some of the permanent members of the Security Council took, as presented in the brief report this morning, it might be helpful to the Security Council for me to summarize briefly the present positions, as we understand them, of the Palestine Commission, the mandatory power, and the Jews and Arabs of Palestine, concerning the implementation of the partition plan recommended by the General Assembly.

During the consultations of the past two weeks, the Palestine Commission was asked whether it had found sufficient acceptance of the partition plan on the part of the Jews, the Arabs and the mandatory power, to afford a basis for its peaceful implementation. The answer of the Palestine

Commission was "No." It observed, in this connection, that the Jews of Palestine generally accepted the plan, that the Arabs of Palestine generally opposed the plan; and that the mandatory power had declined to take any action which might be interpreted as involving implementation of the plan.

The Palestine Commission has repeated its view that it could not discharge its responsibilities on the termination of the mandate without the assistance of an adequate non-Palestinian armed force for the preservation of law and order. The Palestine Commission does not consider it possible to implement the plan by peaceful means either as a whole or in substantial part so long as the existing vigorous Arab resistance to partition exists.

The Palestine Commission considered itself unable, within the terms of the Resolution of the General Assembly, to consider whether any modification of the recommended plan might offer a basis for agreement among the people of Palestine.

With regard to the establishment of the provisional council or councils of government in the proposed Jewish and Arab States by 1 April 1948, the Palestine Commission has concluded: (a) that the attitude of the Arab Higher Committee and Arab resistance in Palestine preclude any possibility of selecting a provisional council of government for the proposed Arab State by 1 April, (b) that while the Palestine Commission can take and has in fact taken some preliminary steps toward the selection of the provisional council for the Jewish State, the provisional council will not be able to carry out its functions, in the sense of the plan, prior to the termination of the mandate, (c) the position of the mandatory power precludes any possibility of fulfilling by 1 April the provisions of the plan as regards either the Arab or the Jewish provisional council of government.

With regard to the City of Jerusalem, the Palestine Commission's view is that the administration of the City of Jerusalem by the United Nations is possible if the plan of partition with economic union is generally accepted by the Arab and Jewish communities of Palestine and peacefully implemented.

The permanent members of the Security Council held two discussions with the representative of the mandatory power last week. One of these was devoted to security problems, and the other to the implementation of the partition plan.

From the information supplied by the mandatory government, it appeared that several thousand Arabs have entered Palestine in bands of varying size, and have infiltrated the Palestinian population. The identification of these Arabs has not been firmly established, but it appears to be common knowledge in Palestine that they include nationals of most of the neighbouring Arab States and that they have entered from Lebanon, Syria, Transjordan, and Egypt. The United Kingdom

reports that these bands are irregular formations and are not organized units of any national armed force.

The representative of the mandatory power was asked whether his Government considers that there is a threat of force against Palestine which now constitutes a threat to international peace, and also whether the existing situation in Palestine is a situation which constitutes a threat to the peace. He replied that his Government would furnish all the facts available but that the question of what constitutes a threat to the peace is for the Security Council to decide.

In response to questions concerning implementation of the General Assembly recommendation, the mandatory power stated that it has "accepted" the Plan of Partition with economic union recommended by the General Assembly, but that it cannot participate in its implementation. While it wished to avoid any action which might be considered as obstructive, it could not itself be instrumental in putting into effect a plan which is not accepted by both the Arabs and the Jews of Palestine.

The representative of the mandatory power informed the permanent members that his Government considered that it would be very difficult to carry out the Plan without the backing of force; that even if the Jewish militia were sufficiently armed to ensure the organization and protection of the Jewish State, such action would not be the equivalent of a settlement; that the United Kingdom did not believe that there were any modifications in detail which would make the Plan acceptable both to the Jews and Arabs of Palestine; and that no change in the timetable of British withdrawal from Palestine is contemplated by the United Kingdom. The representative of the United Kingdom further stated that his Government had no suggestions to make with regard to means by which the Jews and Arabs of Palestine might be brought together although successful efforts in this direction would be welcomed.

Representatives of the mandatory Government further indicated that there would be a very substantial deficit in the Palestinian budget following British withdrawal and that, while the Palestinian Government has been financially self-sufficient, the cost of maintaining British forces in Palestine is considerably larger than the total Palestinian budget of \$96,000,000 annually.

Representatives of the Jewish Agency stated that the Jews of Palestine accept the partition Plan. The Agency claimed that the Plan represents, however, an irreducible minimum for the Jews of Palestine since it already involves a great reduction in what they consider their rightful claims. Also that, although there is no perfect or easy solution, the present Plan is the only practical solution reached after many other plans had failed

of acceptance. The Agency representatives stated that it should now be taken as a postulate that any plan whatever will require enforcement. No modifications in the Plan would commend themselves to the Jews and the Jewish Agency does not see any possibility of modifications which would make the Plan acceptable to the Arabs.

The Jewish Agency stated that the Jews of Palestine would be ready to undertake the responsibilities for government and for the maintenance of law and order within the proposed Jewish State. They expressed confidence that they could assert the authority of the Jewish State and maintain essential public services. This would presuppose the establishment and equipment of the militia contemplated in the Plan and the removal of restrictions on the importation of arms. They believe that an international force would be necessary, and that if no international force were provided, much more serious losses both to Arabs and Jews would result.

On the question of implementation by peaceful means, the Jewish Agency stated that it did not believe it would be possible to obtain a formal public agreement with the Arabs of Palestine in advance of implementation. They believed, however, that if left alone, considerable sections of Palestinian Arabs would be willing to co-operate or acquiesce; but that armed intervention by neighbouring states completely changed that situation.

With respect to economic union, the Jewish Agency stated that they accepted economic union as a part of the Plan although they themselves did not ask for it. The Agency does not consider the principles of the proposed economic union essential to the economic life of Palestine as a whole or to creation of the Jewish State. The Agency considers that economic union should not be an obstacle to the creation of the Jewish State.

The representatives of the Jewish Agency stated that the Jews would co-operate in the administration of Jerusalem by the United Nations considered, however, as part of the Partition Plan. That United Nations administration of Jerusalem apart from the Plan would create a serious obstacle to such co-operation.

The Jews insist upon having the control of immigration, because that is a question of sovereignty and is a most essential part of the whole scheme. The Jews, they said, must have the keys to their own homeland in their own hand. The exclusive control of immigration was the most powerful argument in persuading the Jews to accept the Partition Plan. They had in mind a rate of immigration of 80,000 to 100,000 a year—roughly 1,000,000 over a ten-year period—subject to changing positions both inside the Jewish State and in areas outside. They pointed out that there is no longer a great reservoir of Jews in Europe and that Arab fears that Palestine would be inundated can no longer be considered as well grounded.

A representative of the Arab Higher Committee made a formal statement on behalf of the Committee which observed that all of the questions which had been directed to the Committee revolved around partition which, with the clear and unequivocal support of Arab States, the Arabs of Palestine have categorically rejected. This statement went on to say that the Arab Higher Committee wished to reiterate its rejection of solutions based on partition in any form, including creation of a separate provisional or permanent administration for the City of Jerusalem.

The Arab Higher Committee further wished to emphasize that the only solution compatible with the ideals of the United Nations Charter and which would guarantee peace and security in Palestine would be the formulation of one independent state for the whole of Palestine whose constitution would be based on democratic principles and which would include adequate safeguards for minorities and the safety of the Holy Places. The Arab Higher Committee stated, in this connection, that such a state would be prepared to accept full responsibility for governmental administration and maintenance of law and order in the whole of Palestine and that it would be prepared to treat all citizens and residents of all creeds with justice which befits a truly democratic country.

An identical question was submitted to the Jewish Agency, the Arab States, and the Arab Higher Committee, viz: "Would the addressee"—different in each case—"be prepared to enter into the necessary agreement for an effective truce in Palestine?" Summarized, the replies were as follows: The Jewish Agency: Yes, if carried out within the framework of implementation of the Resolution of the General Assembly and in strict conformity with the timetable provided in that Resolution. The Arab States: Yes, if partition is suspended. No reply has been received from the Arab Higher Committee to that question. However, that Committee has categorically rejected partition.

Having considered the results of the consultations of the past two weeks, we must also reflect upon the situation in Palestine on 15 May 1948, on which date the mandatory power now plans to terminate the Mandate.

In his statement to the Security Council on 24 February 1948, the Representative of the United Kingdom said:

"My Government are bringing to an end the discharge of their responsibilities towards Palestine under the mandate and are leaving the future of that country to international authority."

On 2 March 1948, the Representative of the United Kingdom referred, in his statement to the Security Council, to:

" . . . whatever procedure the United Nations may decide to adopt with a view to assuming responsibility for the Government of Palestine on 15 May"

He concluded with the statement:

"Finally, I must repeat that the United Kingdom must not enter into any new or extended commitment in regard to Palestine. Our contribution has already been made over the years and the date of termination of responsibility is irrevocably fixed."²

The status of Palestine will be equivocal because the United Kingdom seeks to give up the mandate. Article 5 of the mandate in respect of Palestine provides:

"The mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of, the government of any foreign power."

In the premises there is the urgent need for early clarification of the United Nations responsibility toward Palestine. The General Assembly and the Security Council have broad responsibilities and fidelity to the principles of justice and the aims of the Charter to assist in bringing about a pacific settlement of situations and disputes placed before them. The Security Council has specific obligations and powers where it finds a threat to the peace, breach of the peace, or act of aggression. I have already dealt, in my statements to the Security Council on 24 February and again on 2 March, with these responsibilities.

The assumption of administrative or governmental responsibility by the United Nations is another matter. If the United Nations is to act as a government, a large administrative task is involved. The Organization itself becomes directly responsible for all phases of the life of the people over whom such powers are exercised. It is a formidable responsibility, and a heavy financial commitment is incurred by all fifty-seven members of the Organization.

The United Nations does not automatically fall heir to the responsibilities either of the League of Nations or of the mandatory power in respect of the Palestine mandate. The record seems to us entirely clear that the United Nations did not take over the League of Nations mandate system.

The League of Nations Assembly on 18 April 1946, at its final session, passed a resolution which included the following two paragraphs:

"THE ASSEMBLY"

"3. RECOGNIZES THAT, on the termination of the League's existence, its functions with respect to the mandated territories will come to an end, but notes that Chapters XI, XII, and XIII of

² U.N. doc. S/P. V. 260, pp. 49-50.

the Charter of the United Nations embody principles corresponding to those declared in Article 22 of the Covenant of the League;

"4. TAKES NOTE of the expressed intentions of the Members of the League now administering territories under mandate to continue to administer them for the well-being and development of the peoples concerned in accordance with the obligations contained in the respective mandates,"—note these words—"until other arrangements have been agreed upon between the United Nations and the respective mandatory powers."

At the First Part of the First Session of the United Nations General Assembly, on 12 February 1946, the General Assembly passed a resolution regarding the transfer of certain functions, activities, and assets of the League of Nations to the United Nations. No transfer of functions concerning mandates was mentioned. The resolution included the statement that:

"The General Assembly will itself examine, or will submit to the appropriate organ of the United Nations, any request from the parties that the United Nations should assume the exercise of functions or powers entrusted to the League of Nations by treaties, international conventions, agreements, and other instruments having a political character."

Provision was made in the United Nations Charter for the voluntary placing of mandates under a trusteeship system by means of trusteeship agreements between the General Assembly or the Security Council and the states directly concerned, including the mandatory power. By such an agreement, the United Nations itself, under article 81 of the Charter, could become the administering authority for a trust territory. But no such proposal has been made by the mandatory power with respect to Palestine, and no action has been taken by the United Nations itself which would have that result.

A unilateral decision by the United Kingdom to terminate the Palestine mandate cannot automatically commit the United Nations to responsibility for governing that country. We think it clear that the United Nations does not succeed to administrative responsibility for Palestine merely because the latter is a mandate. Signing the Charter did not commit the signatories to a continuing liability for mandates, to become operative by the decisions of mandatory powers to abandon their mandates. On the facts reported by the permanent members, Palestine is a land falling under chapter XI of the United Nations Charter, a non-self-governing territory.

Does the General Assembly recommendation of 29 November 1947 constitute an acceptance by the United Nations of governmental responsibility for Palestine? Let us examine the facts.

On 2 April 1947, the United Kingdom directed

a request to the Secretary-General of the United Nations, the first part of which states:

"His Majesty's Government in the United Kingdom request the Secretary-General of the United Nations to place the question of Palestine on the agenda of the General Assembly at its next regular annual session. They will submit to the Assembly an account of their administration of the League of Nations mandate and will ask the Assembly to make recommendations, under article 10 of the Charter, concerning the future government of Palestine."

Thus, the question of Palestine came before the General Assembly only as a request for a recommendation. No proposal was made by the United Kingdom to the General Assembly that the United Nations itself undertake responsibility for the government of Palestine.

Following consideration of the question of Palestine in a special session, in a special committee—UNSCOP—and at its Second Regular Session, the General Assembly passed a resolution which recommended "to the United Kingdom, as the mandatory power for Palestine, and to all other members of the United Nations, the adoption and implementation, with regard to the future government of Palestine, of the plan of partition with economic union" set forth in the resolution.

Under the plan, the United Nations agreed, as a part of the recommended general settlement, to undertake administrative responsibilities for the City of Jerusalem. Further, the General Assembly agreed that a commission elected by it would perform certain functions to effect the transfer of responsibility from the mandatory power to the successor governments in Palestine. The limited responsibilities of the United Nations set forth in the plan are inseparable from the balance of the plan and are dependent upon the adoption and implementation of the entire plan. This essential unity of the General Assembly recommendation was emphasized by the Chairman of the Palestine Commission in his statement to the Security Council on 24 February. I quote from that very able statement:

"I have put some stress upon the words 'plan of partition as it has been envisaged by the General Assembly' since it is with the implementation of such plan that our Commission has been entrusted. It is quite natural—and legitimate—for interested parties to concentrate their efforts preponderantly—if not exclusively—on such parts of the plan as are intended more especially for their sake. The Commission is not in such a position; its duty, according to its terms of reference, is to provide for the implementation of the whole plan which has been conceived by the General Assembly as a whole . . .

". . . Since the plan has been envisaged as

a whole, the realization and sound functioning of one part of the plan has been made, in a substantial degree, dependent upon the establishment and functioning of its other parts."

The limited functions which the General Assembly offered to undertake in connection with its Palestine recommendation stand or fall with that resolution. If it proves impossible to give effect to that resolution, the United Nations will have on 15 May 1948 no administrative and governmental responsibilities for Palestine, unless further action is taken by the General Assembly.

The plan proposed by the General Assembly was an integral plan which would not succeed unless each of its parts could be carried out. There seems to be general agreement that the plan cannot now be implemented by peaceful means. From what has been said in the Security Council and in consultations among the several members of the Security Council, it is clear that the Security Council is not prepared to go ahead with efforts to implement this plan in the existing situation. We had a vote on that subject and only five votes could be secured for that purpose.

The Security Council now has before it clear evidence that the Jews and Arabs of Palestine and the mandatory power cannot agree to implement the General Assembly plan of partition through peaceful means. The announced determination of the mandatory power to terminate the mandate on 15 May 1948, if carried out by the United Kingdom, would result, in the light of information now available, in chaos, heavy fighting and much loss of life in Palestine. The United Nations cannot permit such a result. The loss of life in the Holy Land must be brought to an immediate end. The maintenance of international peace is at stake.

The United States fully subscribes to the conclusion reached by the four permanent members that the Security Council should make it clear to the parties and governments concerned that the Security Council is determined not to permit the situation in Palestine to threaten international peace and, further, that the Security Council should take further action by all means available to it to bring about the immediate cessation of violence and the restoration of peace and order in Palestine.

Under the Charter, the Security Council has both an inescapable responsibility and full authority to take the steps necessary to bring about a cease-fire in Palestine and a halt to the incursions being made into that country. The powers of articles 39, 40, 41 and 42 are very great, and the Security Council should not hesitate to use them—all of them—if necessary to bring about peace.

In addition, my Government believes that a temporary trusteeship for Palestine should be established under the Trusteeship Council of the United Nations to maintain the peace and to afford

the Jews and Arabs of Palestine, who must live together, further opportunity to reach an agreement regarding the future government of that country. Such a United Nations trusteeship would, of course, be without prejudice to the character of the eventual political settlement, which we hope can be achieved without long delay. In our opinion, the Security Council should recommend the establishment of such a trusteeship to the General Assembly and to the mandatory power. This would require an immediate special session of the General Assembly, which the Security Council might call under the terms of the Charter. Pending the meeting of the special session of the General Assembly, we believe that the Security Council should instruct the Palestine Commission to suspend its efforts to implement the proposed partition plan.

I shall now read three propositions which are being submitted by the United States. I am not making any representation for any other one of the permanent members. The United States propositions are contained in a paper entitled "Additional Conclusions and Recommendations Concerning Palestine", which has been circulated to the members. It reads as follows:

"1. The plan proposed by the General Assembly is an integral plan which cannot succeed unless each of its parts can be carried out. There seems to be general agreement that the plan cannot now be implemented by peaceful means.

"2. We believe that further steps must be taken immediately not only to maintain the peace but also to afford a further opportunity to reach an agreement between the interested parties regarding the future government of Palestine. To this end we believe that a temporary trusteeship for Palestine should be established under the Trusteeship Council of the United Nations. Such a United Nations trusteeship would be without prejudice to the rights, claims or position of the parties concerned or to the character of the eventual political settlement, which we hope can be achieved without long delay. In our opinion, the Security Council should recommend the establishment of such a trusteeship to the General Assembly and to the mandatory power. This would require an immediate special session of the General Assembly, which the Security Council should request the Secretary-General to convoke under article 20 of the Charter.

"3. Pending the meeting of the proposed special session of the General Assembly, we believe that the Security Council should instruct the Palestine Commission to suspend its efforts to implement the proposed partition plan."

Draft resolutions which would give effect to the above suggestions will be circulated shortly for the consideration of the Security Council.

STATEMENT BY SECRETARY MARSHALL³

The position of the United States on Palestine was stated by Ambassador Austin in the Security Council on Friday.

The course of action with respect to the Palestine question which was proposed on March 19 by Ambassador Austin appeared to me, after the most careful consideration, to be the wisest course to follow. I recommended it to the President, and he approved my recommendation.

The primary and overriding consideration in that situation is the need to maintain the peace and to prevent chaos and wide-spread disorder upon the termination of the mandate on May 15, 1948. We believe that the United Nations should do everything it can to bring the fighting to an end and save the lives of the men, women, and children which would be lost in the bitter fighting which could otherwise be expected to follow the withdrawal of British troops.

The grave international situation which the President described in his message to the Congress on March 17 further emphasizes the compelling importance of preventing the outbreak of open warfare in Palestine. The interest of the United States in a peaceful settlement in Palestine arises not only out of deep humanitarian considerations but also out of vital elements of our national security.

The United States supported the partition plan for Palestine in the General Assembly last autumn.

Since that time we have explored every possibility of a peaceful implementation of that recommendation. We sought to have the Security Council accept the plan as a basis for its own action in the matter. This it refused to do on March 5, 1948. We then sought to find through consultations among the five principal powers some basis of agreement on which the partition plan might go forward by peaceful means. These consultations were unsuccessful in developing any measure

of agreement between the Jews and Arabs of Palestine or any substantial agreement among the permanent members as to how the Security Council might proceed. Informal consultations with other members of the Council have made it clear that the Security Council would not now pass a resolution to proceed with partition. In addition to efforts within the United Nations we have attempted by diplomatic means to obtain a wider degree of acceptance of the recommendation of the General Assembly. These efforts did not lead to any substantial result.

We are faced, therefore, with the prospect that the United Kingdom will abandon the mandate of Palestine on May 15, 1948, and that no successor government will be in position on that date to maintain law and order.

A truce is essential. A military truce cannot be achieved under existing circumstances without a parallel truce in the political field. A political truce, however, would bring us up to May 15 without elementary arrangements for keeping order in that situation.

The United States suggestion is that a temporary trusteeship should be established in order to maintain the peace and to open up the way to an agreed settlement. This trusteeship could be ended as soon as a peaceful solution can be found. The trusteeship itself would be established without prejudice in any way to the eventual political settlement which might be reached for Palestine.

The United States has repeatedly stated that we are seeking a solution for Palestine within the framework of the United Nations and that we are not going to act unilaterally in that matter. The proposal for a temporary United Nations trusteeship, without prejudice to the ultimate solution, made by this Government, is the only suggestion thus far presented which appears to offer any basis for action by the United Nations to meet the existing situation in Palestine.

Current United Nations Documents: A Selected Bibliography⁴

Trusteeship Council

Second Session. Draft Statute for the City of Jerusalem. T/118, Jan. 26, 1948. 29 pp. mimeo.

³ Made at a press conference in Los Angeles, Calif., on Mar. 20, 1948, and released to the press on the same date.

⁴ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed, or processed documents) may be consulted at certain designated libraries in the United States.

Report of the Working Committee on Jerusalem. T/122, Feb. 16, 1948. 14 pp. mimeo.

Trusteeship Agreement for the Territory of Nauru. printed in English and French. 4 pp. [15¢.]

Official Records. First Year, First Session. From the First Meeting (26 March 1947) to the Twenty-seventh Meeting (28 April 1947). x, 741 pp. [\$7.50]

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Official Records, Second Year. No. 2, Twelfth meeting, June 11, 1947. 19 pp. printed. [20¢.]

Chilean Request for Reference of Item Regarding Czechoslovakia to the Security Council

LETTER FROM THE REPRESENTATIVE OF CHILE¹

SIR, The Government of Chile has noted that on 10 March Mr. Jan Papanek, Permanent Representative of Czechoslovakia accredited to the United Nations, sent you a communication requesting that the Security Council should consider the events which had taken place in his country since 22 February last on the grounds that they constitute a situation endangering the maintenance of international peace and security.²

In the said note Mr. Papanek says that the political independence of Czechoslovakia, a Member of the United Nations, has been violated by the threat of the use of force by another Member of the United Nations, the Union of Soviet Socialist Republics. He goes on to say that a minority in his country, encouraged and given promise of help by the Government of the Union of Soviet Socialist Republics, usurped power by eliminating the constitutional system of Government, violating personal guarantees and trampling under foot the public liberties established by the Constitution, in the manner described in his letter. He also says that this *coup* was effectuated successfully only because of "official participation of representatives of the Union of Soviet Socialist Republics and the threat of the use of military force of the Union of Soviet Socialist Republics in readiness on the northwest boundaries of Czechoslovakia".

¹ U.N. doc. S/694, Mar. 12, 1948.

² In a letter, dated Mar. 15, 1948, and addressed to the Secretary-General (U.N. doc. S/696, Mar. 16, 1948), the Permanent Representative of Chile inserted the text of the presentation prepared by the Permanent Representative of Czechoslovakia on Mar. 10, 1948, which reads as follows:

"On February 25 I had the honor to discuss the development in Czechoslovakia with you. I mentioned my position and an eventual investigation by the Council. After my conversation with you, I decided to postpone any action or decision, but to await further developments and allow time for more direct information from Czechoslovakia.

"Today I feel that I can no longer postpone action without failing to do my duty to my country and my terrorized, silenced and enslaved people and I take recourse to the provision of the Charter of the United Nations in a specific situation, a situation in which one member of the United Nations has violated the independence of another.

"The Government of the Czechoslovakia Republic, legally constituted by the general parliamentary elections of May 1946, has been undermined and openly placed in jeopardy on February 22, 1948, through force by a Communist minority. This Communist minority was encouraged and given promise of help, if necessary, by the repre-

In the opinion of the Permanent Representative of Czechoslovakia, these facts involve a violation of the Treaty of Friendship and Mutual Assistance of 12 December 1943, constitute an obvious threat to world peace and security and a flagrant violation of Article 2, paragraph 4, of the San Francisco Charter. The Security Council should therefore investigate them, in accordance with Article 34 of the Charter.

My Government has been informed that you have refused the request of the Permanent Representative of Czechoslovakia, because you consider it as coming from a non-governmental organization and not, therefore, as a communication from a Member State.

Without wishing to give an opinion on the propriety of the step you have taken with regard to the Czechoslovak Representative's request, and without implying that I accept his status as a private individual and not the legitimate representative of his Government, as you have suggested, I have the honour on behalf of Chile, which I represent before the United Nations, on personal and direct instructions from the President of the Republic, to request you to refer the question raised by the Permanent Representative of Czechoslovakia in the above-mentioned letter, to the

representatives of the Government of the Union of Soviet Socialist Republics who came to Praha for that purpose, led by V. A. Zorin, Deputy Minister of Foreign Affairs.

"The political independence of Czechoslovakia, a member of the United Nations, has thus been violated by threat of use of force of another member of the United Nations, the Union of Soviet Socialist Republics, in direct infringement of Paragraph 4, Article 2 of the Charter.

"As representative of the Sovereign state of Czechoslovakia, I bring this situation, referred to in Article 34 of the Charter, to the attention of Security Council, asking its investigation, as one that is suppressing freedom and independence of Czechoslovakia, and which is likely to endanger the maintenance of international peace and security.

"It is very clear that the *coup* by the Communist minority by force was effectuated successfully only because of official participation of representatives of the Union of Soviet Socialist Republics and because of the threat of the use of military force of the Union of Soviet Socialist Republics in readiness on the north-west boundaries of Czechoslovakia. Official and military representatives of the Union of Soviet Socialist Republics participated in closed and public meetings of the Communist party and stayed long enough to see organized terror take hold of the free democratic Czechoslovakia people. Pictures taken in the streets of Prague, published in the world press, show

Security Council, for the purposes set forth in that letter.

In making this request, I am using the right conferred by Article 35, paragraph 1, of the Charter on all Members of the United Nations.

The Chilean Government considers that the responsible and authoritative accusation of the Permanent Delegate of Czechoslovakia is of such a serious nature that a mere reason of formality, such as the alleged lack of status of Mr. Papanek, cannot be allowed to prevent the institution whose specific task is to safeguard world peace and security, from making the necessary investigations to prove the truth of this accusation. If the events mentioned in Mr. Papanek's denunciation prove to be true—and everything seems to indicate that they are—it would mean that the world is again facing an exact repetition of the actions and methods which were employed by Nazi Germany in the years preceding the last World War, and were its immediate cause. It would therefore

the officers of the Soviet Union with armed police, clad in new Czechoslovak uniforms, participating in the meetings and demonstrations.

"Since the *Coup* of the Communist minority, the President of the Republic has not been permitted to make any public appearance, or public utterance, has been allowed to receive no visitors, except Vabrian Zorin, the Deputy Foreign Minister of the Soviet Socialist Republics whom he refused to receive, and is not a free agent, while the Communist usurpers spread terror and break every law which establishes and protects the freedom of men and democratically established institutions, even while they say they are carrying out the will of the people.

"The Constitution of Czechoslovakia, adopted in 1920, states that the people are the sole source of state power and provides for general secret elections through which the people express their will. Masses of people driven by terror and the threat of the loss of their jobs into public squares of Czechoslovak cities and towns to demonstrate or to strike, cannot be considered as expressing the will of the people. Yet, claiming that such demonstrations with the participation of official and military representatives of the Union of Soviet Socialist Republics express the will of the people, a minority party usurped the power of the government of Czechoslovakia and is imposing its rule upon all the people without regard for the Constitution or the law.

"The President is prevented from executing his constitutional powers. Political parties have been forced to change their leaders. Many regularly elected members of Parliament have not only been removed from Office, but deprived of their Parliamentary immunity. Many have been brutally beaten and jailed. University professors, judges, high officials in all governmental departments who refuse to bow to the communist dictatorship have been dismissed or demoted. Students who refuse to pledge loyalty to the new "order" are expelled from the universities. The rights and privileges of citizens guaranteed by the Constitutions are being flagrantly violated. The Official lists of names of individuals faithful to the democratic principles who have been arrested without legal grounds are increasing daily. Personal liberty is restricted. Many dismissed intellectuals are forced to manual labour. The right of private ownership of property is violated. To travel or emigrate is prohibited except for the chosen few. The inviolability of the home no longer exists. The freedom of the press has been

mean that world peace and security are in imminent danger both on account of an international act contrary to the Charter committed by one Member State against another, and on account of a serious violation of the principles of democracy, respect for human dignity and individual freedom, indicated in the San Francisco Charter as being inseparable from the maintenance of peace, and one of the principal purposes of the United Nations.

My Government considers that the United Nations is under the unavoidable obligation to act in this situation, using all the means allowed by the Charter to prevent, before it is too late, these actions and methods from completing the execution of a plan, the intentions and range of which are not difficult to forecast.

As part of the American community, which has achieved enviable progress in the elimination of methods of violence, aggression and conquest, whose peoples live according to principles of

abolished. Many newspapers and periodicals have been discontinued, their editors dismissed and forbidden ever to write for any press again, among them, Dr. Levy Sycrava, editor-in-chief of one of the most liberal independent Prague dailies, who fought for Czechoslovakian independence in World War I, spent 68 months in concentration camps in Germany during World War II, is Czechoslovakia's representative on the sub-commission on Freedom of Information and the Press, and returned to Prague from Lake Success only a few weeks ago. The right of assembly, of petition, and freedom of expression no longer exists.

"The Constitution of Czechoslovakia is flagrantly violated in letter and spirit, not only by the manner in which this present so-called "people's democracy" of the Communist pattern was established but in its every action. It is not only unconstitutional and illegal, but it is not government. It is an instrument used by the Union of Soviet Socialist Republics.

"Munich, in September, 1938, and the occupation of all of Czechoslovakia six months later laid bare to the world the plans of Germany for further conquests. The tragedy of the Communist *coup* in Czechoslovakia, planned and executed with the help of officials and the military of the Union of Soviet Socialist Republics reveals the insincerity of Premier Stalin who personally promised President Benes in March, 1945, in Moscow, that Czechoslovakia would always be free to develop democratically internally, that the Union of Soviet Socialist Republics wanted only to have friendly neighbours on all its borders and that their foreign policies would follow a common plan. The treaty of Friendship, Mutual Assistance and Postwar Co-operation concluded between the Union of Soviet Socialist Republics and Czechoslovakia on December 12, 1943, stipulated in Article 4 that the contracting parties shall respect each other's independence and sovereignty and shall not interfere in the internal matters of the other state. Czechoslovakia, its government and people lived up to the letter and spirit of the treaty. The violation of this agreement and treaty on the part of the Union of Soviet Socialist Republics shakes the very foundations of peace and security, not only of Czechoslovakia, but of Europe and the World.

"Therefore, as representative of the sovereign, democratic Republic of Czechoslovakia, I request that this situation which enslaves the people of Czechoslovakia, and endangers international peace and security be brought to the Security Council for consideration."

human solidarity, Chile cannot remain indifferent before the events described by the representative of Czechoslovakia. No country which is a Member of the United Nations, however small or however remote from the theatre of events in question, can evade the responsibilities of solidarity deriving from the Charter and from the conviction that another world war would be a catastrophe whose consequences no part of the world could escape. In taking the present attitude, my Government believes that it is making the only possible contribution, within its limited means and the present circumstances, to the common task of preventing this disaster. It believes also that it is thereby fulfilling its duty, as a signatory to the San Francisco Charter, of ensuring that the Organization affirms its status as a decisive instrument for the maintenance of world peace. It is not difficult to forecast that failure by the United Nations to intervene in the situation before us would result in loss of its prestige and a consequent reduction of its future effectiveness. The Chilean Government's attitude, therefore, is motivated by its devotion to the United Nations' cause and its sincere respect for democracy and human dignity.

But there is another moral reason which leads my Government to sponsor the Czechoslovak delegate's request that his country's case should be investigated and considered. In October last Chile was obliged to sever diplomatic relations with the Union of Soviet Socialist Republics and with Yugoslavia, because those countries were interfering in her internal affairs (trying to disrupt and hamper production of the basic raw materials such as copper and nitrates, which Chile exports to friendly countries) through the illegal revolutionary action of a national group working in their interest. The objects of this action, which coincide completely with those of her intervention in Czechoslovakia, demonstrate the extent and nature of the Union of Soviet Socialist Republics' plans and prove that neither geographical situation nor greater or lesser degrees of strength or size, or a country's love of peace, or indifference to it, are factors which can have any influence in enabling a country to avoid becoming involved in a conflict such as a great power like the Union of Soviet Socialist Republics might undertake. Thus the Chilean Government on that occasion most reluctantly felt obliged to extend its sever-

ance of relations to the Czechoslovak Government. It did so because it had proof that agents of that Government were taking part alongside those of the other countries mentioned, in truly aggressive activities, by paralyzing the economic life of Chile, as I have stated. The Chilean Government understood that this was happening without the knowledge of President Benes and Mr. Masaryk, his Minister for Foreign Affairs, whose democratic and pacifist opinions have always been beyond doubt, and that it was merely the international manifestation of action being taken inside the country by elements which, shielded by the democratic National Coalition Government, were preparing the *coup* of 22 February. However, we were obliged to break off our traditional friendly relations with Czechoslovakia, in defence of our elementary duty to defend the country against the intervention of foreign powers desirous of disturbing production and overthrowing the democratic constitutional regime which Chile has enjoyed since achieving her independence.

Now that events have proved the rightness of the Chilean point of view and justified the true reasons which led my Government to take such steps, we wish to render homage to the noble Czech people—for whom we feel a deep admiration and respect—by supporting in our capacity as a Member of the United Nations, the just demands made in their name by their Permanent Representative to the United Nations.

In view of the foregoing considerations, I repeat to you, in the name of my Government, our request that the case be brought before the Security Council, in order that, in accordance with Article 34 of the United Nations Charter, it may investigate the events reported by the Permanent Representative of Czechoslovakia, Mr. Jan Papanek, which constitute a threat to international peace and security.

I also request you to communicate to the Security Council, our petition that, in conformity with Article 31 of the Charter, my country be invited to participate in the discussion of this matter, when it is brought before the Security Council.

I have the honour to be [etc.]

HERNAN SANTA CRUZ
*Ambassador, Permanent Representative of
Chile to the United Nations.*

STATEMENT BY AMBASSADOR WARREN R. AUSTIN¹

U.S. Representative in the Security Council

A decision on the question now pending is not a decision on the substance, and it will not constitute a judgment upon the merits. But when the question is raised, as it is here, as to whether an item should be placed on the agenda for discussion or not, there must be a consideration of the character of the question in order to learn whether the

competence of the Security Council reaches the item.

¹ Made in the Security Council on Mar. 17, 1948, and released to the press by the U.S. Mission to the United Nations on the same date. At the time of going to press only an unofficial transcript of remarks was available. For text of remarks see U.N. doc. 5/P. V. 268, Mar. 17, 1948.

Now, here we have charges made in a formal complaint which are grave and which involve two members of the United Nations, and now we have countercharges. Briefly, the item involves this issue: On its face the Chilean complaint, by reference to Mr. Papanek's communication, alleges that the political independence of Czechoslovakia, a Member of the United Nations, has been violated by threat of the use of force by another Member of the United Nations, namely, the Soviet Union. It further refers to the statement in that communication that the Czechoslovakian *coup* was effectuated successfully only because of official participation of representatives of the Soviet Union and threat of the use of military forces of the Soviet Union in readiness on the northwestern boundaries of Czechoslovakia. The Chilean complaint requests investigation of these allegations.

If these allegations are true, the matter would clearly not be essentially within the jurisdiction of Czechoslovakia because it would be a situation resulting from illegal action by one Member against another. Secondly, the Security Council, in order to be able to determine whether the case comes within the meaning of article 2, subparagraph 7, must consider the Chilean complaint, and, of course, it cannot consider the Chilean complaint if it is not put on the agenda.

But, since we opened our hearing on the question

of adding this item to the agenda, the remarks made by the distinguished representative of the Soviet Union constitute a countercharge. Mr. Papanek, who has represented a distinguished Member of the United Nations, is charged here as being a "traitor". This matter is also rendered very much more important by the opprobrious attack upon Chile. The suggestion that Chile is not acting upon her own initiative as a distinguished Member of the United Nations, but is a "puppet" commanded by "external circles" who work through their "lackeys", is a charge which renders this item much more important than it was solely upon the complaint made by Chile.

But there are other allegations in the statement by the representative of the Soviet Union that reflect upon the press of the United States of America—"venal and calumnious American newspapers"; another charge of "yellow" newspapers. I could not follow this fast enough to get the exact language, but you recall "yellow press of America", and the charge of "warmongering" against people in the United States of America, including very highly placed persons.

Now, I ask the Security Council if it can evade or avoid the responsibility that is placed upon it to give these charges a hearing—all of them. For this reason the United States will vote to place this item on the agenda.

Discussion in the Interim Committee on the Problem of Voting in the Security Council¹

U. S. PROPOSALS¹

I. Study of Categories of Security Council Decisions

A. The Interim Committee should study the categories of decisions which the Security Council is required to make in carrying out the functions entrusted to it under the Charter and the Statute of the International Court of Justice, and should report to the General Assembly those categories of decisions which in its judgment, in order to ensure

¹U.N. doc. A/AC.18/41, Mar. 10, 1948. By a resolution adopted on Nov. 21, 1947, the General Assembly requested its Interim Committee to—

"1. Consider the problem of voting in the Security Council, taking into account all proposals which have been or may be submitted by Members of the United Nations to the second session of the General Assembly or to the Interim Committee;

"2. Consult with any committee which the Security Council may designate to cooperate with the Interim Committee in the study of the problem;

the effective exercise by the Security Council of its responsibilities under the Charter, should be made by an affirmative vote of seven members of the Security Council, whether or not such categories are regarded as procedural or non-procedural. (A provisional proposed list of such categories is attached.)

B. The Interim Committee should recommend to the General Assembly:

"3. Report, with its conclusions, to the third session of the General Assembly, the report to be transmitted to the Secretary-General not later than 15 July 1948, and by the Secretary-General to the Member States and to the General Assembly."

On Jan. 9, 1948, the Interim Committee, by resolution, asked that proposals on the problem of voting in the Security Council be transmitted to the Secretary-General on or before Mar. 15, 1948.

(1) That the General Assembly accept the conclusions of the Interim Committee's Report, and

(2) That the General Assembly as a first step recommend to the permanent members of the Security Council that they mutually agree that such voting procedures be followed, and that steps be taken to make their agreement effective.

II. Consultations Among Permanent Members

The Interim Committee should recommend to the General Assembly that in order to improve the functioning of the Security Council the General Assembly recommend to the Permanent Members of the Security Council that wherever feasible consultations should take place among them concerning important decisions to be taken by the Security Council.

Provisional List of Categories of Security Council Decisions which the United States proposes should be made by an Affirmative Vote of Seven Members, whether or not such Categories are regarded as Procedural or Non-procedural.

1. Decisions with respect to admission of States to membership in the United Nations, pursuant to Article 4 (2).

2. Decisions to bring a question relating to the maintenance of international peace and security before the General Assembly pursuant to Article 11 (2).

3. Decisions to request the recommendation of the General Assembly concerning a matter relating to the maintenance of international peace and security being dealt with by the Security Council pursuant to Article 12 (1).

4. Decisions to cease dealing with a matter relating to the maintenance of international peace and security pursuant to Article 12 (2).

5. Decisions with respect to the consent of the Security Council to the notifications made by the Secretary-General under Article 12 (2).

6. Decisions with respect to the request directed by the Security Council to the Secretary-General that he convoke a Special Session of the General Assembly under Article 20.

7. Submission of annual and special reports from the Security Council to the General Assembly pursuant to Article 24 (3).

8. Decisions of the Security Council as to whether a matter is procedural within the meaning of Article 27 (2).

9. Determination of the parties to a dispute and the existence of a dispute for the purpose of deciding whether a Member of the Security Council shall be required to abstain from voting pursuant to Article 27 (3).

10. Decisions concerning the manner of the organization of the Security Council pursuant to Article 28 (1).

11. Decisions concerning the time and place of its regular and periodic meetings pursuant to Article 28 (2) and Article 28 (3).

12. Establishment of subsidiary organs pursuant to Article 29.

13. The election of a President pursuant to Article 30.

14. Adoption of Rules of Procedure pursuant to Article 30.

15. Decisions to permit the participation of Members of the United Nations in the discussion of any question where the Council considers that the interests of the Member are specially affected pursuant to Article 31.

16. Decisions to invite a Member State which is not a Member of the Security Council, or a State not a Member of the United Nations which is a party to a dispute under consideration by the Council, to participate without vote in the discussion relating to the dispute pursuant to Article 32.

17. Decisions with respect to conditions for the participation of a State which is not a Member of the United Nations in the Security Council discussions in accordance with Article 32.

18. Decisions to consider and discuss a matter brought to the attention of the Council.

19. Decisions to call upon the parties to a dispute to settle their dispute by peaceful means of their own choice pursuant to Article 33 (2).

20. Decisions to investigate a dispute or a situation which might lead to international friction or give rise to a dispute, pursuant to Article 34.

21. Decisions to recommend appropriate procedures or methods of adjustment of a dispute or situation endangering the maintenance of international peace and security, pursuant to Article 36 (1).

22. Decisions of the Security Council pursuant to Article 36 (3) to recommend to the parties to a legal dispute that the dispute should be referred by the parties to the International Court of Justice in accordance with provisions of the Statute of the Court.

23. Decisions to make recommendations at the request of all parties to a dispute with a view to its pacific settlement, pursuant to Article 38.

24. Decisions to request assistance from the Economic and Social Council pursuant to Article 65.

25. Reference of a legal question to the International Court of Justice for an advisory opinion pursuant to Article 96 (1).

26. Decision to convoke a conference to review the Charter prior to the Tenth Annual Session of the General Assembly pursuant to Article 109 (1).

27. Decision to convoke a conference to review the Charter subsequent to the Tenth Annual Session of the General Assembly pursuant to Article 109 (3).

² 28. Election of judges of the International Court of Justice pursuant to Article 4 (1), Article 10 (1) of the Statute of the Court. (Article 10 (2) of the Statute).

29. Decisions of the Security Council determining the conditions under which a State which is a party to the present Statute of the International Court of Justice, but which is not a Member of the United Nations, may participate in electing

the Members of the Court pursuant to Article 4 (3) of the Statute of the Court.

² 30. Appointment of conferees in connection with election of judges of the International Court of Justice pursuant to Article 12 of the Statute of the Court. (Article 10 (2) of the Statute).

31. Determination of the date of election of judges of the International Court of Justice pursuant to Article 14 of the Statute of the Court.

STATEMENT BY PHILIP C. JESSUP³

U.S. Deputy Representative in the Interim Committee

The Interim Committee is considering the veto at the request of the General Assembly contained in its resolution of November 21, 1947, which "requests the Interim Committee of the General Assembly . . . to consider the problem of voting in the Security Council, taking into account all proposals which have been or may be submitted by Members of the United Nations to the second session of the General Assembly or to the Interim Committee."

The Interim Committee in order to give effect to the request of the General Assembly, on January 9, 1948, adopted a resolution which requested the Members of the United Nations who desire to submit proposals on the problem of voting in the Security Council to transmit them to the Secretary-General on or before March 15, 1948, and further requested the Chairman to bring up the problem before the Interim Committee not later than March 15, 1948.

The General Assembly resolution contemplated three phases of action on this problem: action by this Committee, continued action by the Security Council and conferences between our Committee and a committee of the Security Council.

In addition the General Assembly resolution requested consultations among the Permanent Members "in order to secure agreement among them on measures to ensure the prompt and effective exercise by the Security Council of its functions."

It would seem appropriate at this time to indicate the progress which has been made since January 9 in the direction of giving effect to the General Assembly program.

In the first place a number of proposals are now before the Interim Committee. We believe that these proposals furnish an excellent starting point for the studies of this Committee.

As to the second phase of action contemplated in the General Assembly resolution, Committee 1 of

the Security Council has not as yet commenced its consideration of this problem for reasons well known to all of you. The press of vital problems in the Security Council, which for the past several months has been dealing with some of the most important aspects of international relations, has left no time for meetings of Committee 1 which would be attended in many cases by the same individuals who have borne much of the burden in the Security Council.

There are now before Committee 1 of the Security Council certain proposals which the United States circulated last August. These proposals, as far as they go, are entirely consistent with the proposals which we are submitting to the Interim Committee and which I shall discuss later in some detail. They do, however, constitute a different approach. The proposals to Committee 1 of the Security Council are intended to provide specific rules of procedure for the Security Council. The proposals to the Interim Committee, on the other hand, are intended to grapple with the broader problem of the failure of the Security Council to function with maximum effectiveness. In some instances, it may turn out that the General Assembly recommendations can best be implemented through rules of procedure. However, there are other alternatives. The United States proposals in the Interim Committee are directed chiefly to the objectives to be attained rather than to a detailed recommendation for implementation of the objectives.

In regard to the last paragraph of the General Assembly resolution relating to consultations among the permanent members of the Security Council, I believe I should report that consultations have taken place among the permanent members of the Security Council on the problem of the veto since our last meeting on this subject. The consultations have not as yet produced tangible results. The United States is prepared to continue such consultations as necessary in the attempt to secure agreement on measures which will improve the functioning of the Security Council.

² These decisions are made by "an absolute majority of votes in the General Assembly and in the Security Council".

³ Made on Mar. 15, 1948, before the Interim Committee and released to the press by the U.S. Mission to the U.N. on the same date.

The United States, on March 11, in response to the request contained in the Interim Committee resolution of January 9, submitted to the Interim Committee proposals on this subject which are now before you. It is my intention, at this time, to limit my remarks to the purposes of the United States proposals and to the general point of view which has given rise to the proposals, reserving my comments on the technical aspects until a later time.

The United States considers the problem of voting in the Security Council to be one of the greatest consequence and importance to the success of the United Nations. The Secretary of State in his address to the General Assembly last September stated: "The exercise of the veto power in the Security Council has the closest bearing on the success and the vitality of the United Nations . . . The abuse of the right of unanimity has prevented the Security Council from fulfilling its true functions. That has been especially true in cases arising under chapter VI and in the admission of new members". As the Secretary went on to point out, we had reluctantly come to the conclusion that the most practical method for improving this situation would be through liberalization of the voting procedure in the Security Council.

Different ways have been suggested for obtaining this objective. There are before the Committee proposals of Argentina and of New Zealand which suggest that the way to accomplish the objective is by amending the Charter. The United States suggests a different method. We do not believe that there is a short-cut to peace. The amendment of the Charter, as everyone recognizes, requires the concurrence of the permanent members of the Security Council and proposals for amendments thus do not avoid the necessity for unanimity. The proposals of the United States are advanced in the conviction that they suggest the most practical method for moving toward the objective of liberalizing the voting procedure in the Security Council.

The United States recognizes the basic importance of a genuine unanimity among the permanent members if the Security Council and in fact if the entire United Nations is to achieve its maximum success. The United States also recognizes that in connection with the most important decisions of the Security Council such as those for enforcement action under chapter VII of the Charter, a voting formula requiring unanimity among the permanent members is a necessity and corresponds to the political realities of the international situation. This was well pointed out by Ambassador Austin in his statement to the General Assembly as far back as October 30, 1946:

"The principle of unanimity of the Great Powers has from the first—and by general agreement—been limited in its application as a voting pro-

cedure matters essential to the maintenance of international peace and security. The Charter requires unanimity of the major powers only in substantive decisions by the Security Council. There is no requirement for unanimity in the Assembly, in the Economic and Social Council and in the Trusteeship Council. . . .

"This does not mean that unanimity or the closest possible approximation to it is not to be desired and striven for in all these organs. It means only that it was not deemed essential to apply the principle to the voting procedures.

"Those organs and agencies do not have the power to enforce the law. That power rests with the Security Council and that is the reason why the Members of the United Nations applied the principle of unanimity to the voting procedures of the Security Council and not to the voting procedures in any of the other institutions of the United Nations.

"The large nations that are Permanent Members of the Council possess the power to keep peace in the world—to enforce observance of the law. The Charter does not give them that power. It recognizes that power and places obligations upon these nations to use that power in accordance with the law."

The United States continues to adhere to the viewpoint which Ambassador Austin expressed so forcefully more than two years ago. The proposals of the United States suggest 31 separate items which come up in a study of the veto. The proposals of China, the United Kingdom, and New Zealand contain other suggestions, and additional ones may be raised in the course of our discussion. I agree that the study of those items will necessarily be a technical study. The problem is a technical one. There is no simple formula which can be applied as a "cure-all" and which will automatically result in the liberalization of the voting procedure and immediate improvement in the effectiveness of the Security Council. The United States feels that progress can best be achieved in the General Assembly through careful study. To quote Mr. Dulles concerning the nature of the study: "It is not a study which is designed to produce any predetermined result or to produce any specific diminution of the veto power, but it is a study of the problem to the end that the General Assembly next year will be able to approach this problem with more light and less heat than was the case at the last General Assembly. We felt that a good deal of violence and antagonism which marked the discussions in the General Assemblies both in 1946 and 1947 was largely due to the fact that the problem had not been adequately studied and its difficulties adequately perceived."

To come to the specific United States proposals

which are now before this Committee, the United States first suggests that the Interim Committee should study the categories of decisions which the Security Council is required to make in carrying out the functions entrusted to it under the Charter and the Statute of the International Court of Justice and should report to the General Assembly those categories of decisions which in its judgment, in order to insure the effective exercise by the Security Council of its responsibilities under the Charter, should be made by an affirmative vote of seven members of the Security Council.

It is apparent from the resolution of November 21 that in giving the Interim Committee this task the General Assembly was exercising its power to make recommendations "relating to the powers and functions of any organs of the United Nations" (article 10 of the Charter). It therefore seemed most appropriate to us that the study in the Interim Committee should deal primarily with the functioning of the Security Council and that the Interim Committee conclusions and the General Assembly recommendations should be directed to the desired result; namely, to the liberalization of voting procedures in connection with those decisions of the Security Council where such liberalization is most likely in fact to result in the improved operation of the Council.

The United States proposal goes on to recommend that the General Assembly accept the conclusions which the Interim Committee may reach on this subject and "that the General Assembly as a first step recommend to the Permanent Members of the Security Council that they mutually agree that such voting procedures be followed and that steps be taken to make their agreement effective." We recognize that after the General Assembly has made recommendations for liberalization of the voting procedures, the task of accomplishing such liberalization may be a difficult one. The most effective way of securing improvement in the operations of the Security Council would be through agreement of the permanent members. Mr. Dulles stated this to the First Committee of the General Assembly and Ambassador Austin repeated the statement before this Committee on January 9. "We realize that without such agreement, it will be difficult to accomplish great practical results. Charter amendment requires the approval of all five. It may perhaps prove possible to get agreement on certain Charter amendments and certainly there is an important area in which existing procedures could be liberalized without alteration of Article 27."

We believe that the permanent members will all give great weight to whatever recommendations may be made by the General Assembly on this subject and we are therefore proposing that the General Assembly recommend to the permanent members that they mutually agree to follow the voting

procedure recommended by the General Assembly and to take steps to make that agreement effective.

We have submitted a list of Security Council decisions which in our view should as a matter of principle be made by any seven members of the Security Council; in other words, where there should be no veto. I shall not comment in detail at this time on this list. It suffices to say that a number of these decisions are well-established as procedural in the practice of the Security Council and that in other instances a voting procedure not involving the veto is prescribed by the Charter. However, the list of categories of decisions also includes a number of decisions where either no precedent as to voting procedure has as yet been established in the Security Council or where under existing practice of the Council, a negative vote by a permanent member has been considered a veto. It would perhaps be appropriate to note at this time two or three of the more important of these decisions where we firmly believe that the voting procedure should be liberalized.

In the first place, there is the question of applications for membership. This is item 1 on our list. Ten of the 23 vetoes in the Security Council have related to membership problems. This is not the time nor place for recriminations but I would be less than frank if I failed to point to the most flagrant example of the abuse of the veto, the veto of Italy's membership application by the Soviet Union not once but two times. This was done in the face of overwhelming support for Italy's application in the Security Council and later in the General Assembly. This leads inescapably to the conclusion that the Soviet vetoes of the Italian United Nations membership application can be interpreted only as an expression of lack of friendship of the Soviet Union for the people of Italy. A way must be found to make such an injustice impossible. The Italian people must not be denied the right of United Nations membership which they so richly deserve. It should be noted that one phase of the membership problem has been referred by the General Assembly to the International Court of Justice for an advisory opinion. The Court's opinion, when it is given, should be of assistance in this study.

We have also suggested the elimination of the veto in connection with most of the decisions of the Security Council arising under chapter VI which relates to the pacific settlement of disputes. The Secretary of State in his address to the General Assembly indicated that the United States would be willing to accept the restriction or elimination of the veto in connection with all decisions under chapter VI. We have not, however, at this time, suggested its elimination in connection with the Security Council's authority under article 37 (2) to recommend terms of settlement of disputes. While the United States would be willing to accept

the elimination of the veto in connection with the Security Council's recommendations under article 37 (2), nevertheless, as was pointed out by Mr. Dulles to the First Committee of the General Assembly in his statement of November 18, this provision raises certain special problems. Therefore, pending further study, by the Interim Committee, the United States did not include this provision in its list.

We are also suggesting that the veto should never be utilized to prevent the Security Council from obtaining assistance from other organs of the United Nations: the General Assembly, the Economic and Social Council, the International Court of Justice. We believe that the firm establishment of this principle would result in greater coordination of the work of the various organs of the United Nations and would be of great assistance to the Security Council.

It should be emphasized that the list of categories of Security Council decisions which the United States proposes should be made by affirmative vote of seven members, is strictly a provisional list. The United States hopes that the Interim Committee will study not only these categories of decisions but all categories of decisions which the Security Council must make. The creation of a subcommittee would seem to be a useful procedure for this purpose. It may develop in the course of the study that there are a number of other decisions where the effective functioning of the Security Council would be furthered through establishment of voting procedures not requiring the concurrence of the permanent members. The United States is entering into this study in the Interim Committee with an open mind and without any preconceived judgment as to the conclusions that should emerge from the Interim Committee.

The second part of the United States proposal relates to consultation among permanent members. The United States suggests that the "Interim Committee should recommend to the General Assembly that in order to improve the functioning of the Security Council, the General Assembly recommend to the Permanent Members of the Security Council that whenever feasible, consultations should take place among them concerning important decisions to be taken by the Security Council." Even in the event of substantial liberalization of voting procedures as is contemplated in the first part of the United States proposal, it is still desirable that there should be agreement and there will be many decisions of the Security Council which require agreement among the permanent members. Consultations on such decisions, and also on some important decisions not requiring unanimity, should take place whenever feasible; that is, whenever they are likely to produce constructive results. We believe that there is likely to be agreement on the desir-

ability of such consultations. The General Assembly resolution of December 13, 1946 "requests the Permanent Members in consultation with one another, to insure that the use of the special voting privilege does not impede the Security Council in reaching decisions promptly." The General Assembly resolution of November 21, 1947 requests consultations among the permanent members on the problem of voting. The United States proposal goes somewhat further than either of the previous General Assembly resolutions but goes no further than the statements of the permanent members themselves. All of the permanent members have stated in the General Assembly that such consultations are desirable. We believe that the second part of our proposal complements the first part and that its adoption will assist the Security Council in effectively performing its functions.

In conclusion, we sincerely hope that the studies in this Committee will result in a fuller understanding of this extremely difficult and technical subject, and that as a result of this study, this Committee will reach enlightened and constructive conclusions that have the support of the overwhelming force of world opinion. If those conclusions are converted into realities through their adoption in practice, the United Nations will be a more effective instrument for the accomplishment of its great purposes.

U.S. Delegation to Ninth International Conference of American States

[Released to the press by the White House March 19]

The President on March 19 named the following as members of the United States Delegation to the Ninth International Conference of American States, to be held at Bogotá, Colombia, beginning March 30, 1948:

Chairman:

George C. Marshall, Secretary of State

Delegates:

Willard L. Beaulac, Ambassador to Colombia

John W. Snyder, Secretary of the Treasury

W. Averell Harriman, Secretary of Commerce

Norman Armour, Assistant Secretary of State for political affairs, Department of State

Ernest A. Gross, Legal Adviser, Department of State

William D. Pawley, Ambassador to Brazil

Walter J. Donnelly, Ambassador to Venezuela

William McC. Martin, Jr., Chairman, Board of Directors

Export-Import Bank of Washington

Paul C. Daniels, Director, Office of American Republic Affairs, Department of State

The Delegation will be accompanied by a group of advisers and a technical and administrative staff.

Toward Securing the Peace and Preventing War

ADDRESS BY THE PRESIDENT TO THE CONGRESS¹

March 17, 1948

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS:

I am here today to report to you on the critical nature of the situation in Europe, and to recommend action for your consideration.

Rapid changes are taking place in Europe which affect our foreign policy and our national security. There is an increasing threat to nations which are striving to maintain a form of government which grants freedom to its citizens. The United States is deeply concerned with the survival of freedom in those nations. It is of vital importance that we act now, in order to preserve the conditions under which we can achieve lasting peace based on freedom and justice.

The achievement of such a peace has been the great goal of this nation.

Almost three years have elapsed since the end of the greatest of all wars, but peace and stability have not returned to the world. We were well aware that the end of the fighting would not automatically settle the problems arising out of the war. The establishment of peace after the fighting is over has always been a difficult task. And even if all the Allies of World War II were united in their desire to establish a just and honorable peace, there would still be great difficulties in the way of achieving that goal.

But the situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and honorable peace, but—even worse—has actively sought to prevent it.

The Congress is familiar with the course of events.

You know of the sincere and patient attempts of the democratic nations to find a secure basis for peace through negotiation and agreement. Conference after conference has been held in different parts of the world. We have tried to settle the questions arising out of the war on a basis which would permit the establishment of a just peace. You know the obstacles we have encountered. But the record stands as a monument to the good faith and integrity of the democratic nations of the world. The agreements we did

obtain, imperfect though they were, could have furnished the basis for a just peace—if they had been kept.

But they were not kept.

They have been persistently ignored and violated by one nation.

The Congress is also familiar with the developments concerning the United Nations. Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of the members support the United Nations earnestly and honestly, and seek to make it stronger and more effective.

One nation, however, has persistently obstructed the work of the United Nations by constant abuse

Statement by Ambassador

Warren R. Austin

The President's declaration of the acts necessary to support the purposes and principles of the United Nations Charter has my full support. I am more persuaded than ever that we need universal military training as a permanent policy and I believe that right now we need the reenactment of selective service. The European Recovery Program has had my hearty endorsement from the beginning.

I think the President was moderate in his statements on the critical situation now confronting the people of the world. The issues that have confronted the United Nations from the outset have been difficult in themselves; but they have become increasingly serious in their reflection of the division between the Soviet Union and the rest of the United Nations.

The position of the United States in its discharge of its inescapable responsibilities and as a force for the solution of the problems before us by agreement, will be improved if our military posture is strengthened. The President's emphasis on the United Nations demonstrates that everything he said is aimed toward the pacific solution of our problems.

¹ This address was also printed as Department of State publication 3102, General Foreign Policy Series 2.

of the veto. That nation has vetoed 21 proposals for action in a little over two years.

But that is not all. Since the close of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in eastern and central Europe.

It is this ruthless course of action, and the clear design to extend it to the remaining free nations of Europe, that have brought about the critical situation in Europe today.

The tragic death of the Republic of Czechoslovakia has sent a shock throughout the civilized world. Now pressure is being brought to bear on Finland, to the hazard of the entire Scandinavian peninsula. Greece is under direct military attack from rebels actively supported by her Communist-dominated neighbors. In Italy, a determined and aggressive effort is being made by a Communist minority to take control of that country. The methods vary, but the pattern is all too clear.

Faced with this growing menace, there have been encouraging signs that the free nations of Europe are drawing closer together for their economic well-being and for the common defense of their liberties.

In the economic field, the movement for mutual self-help to restore conditions essential to the preservation of free institutions is well under way. In Paris, the 16 nations which are cooperating in the European Recovery Program are meeting again to establish a joint organization to work for the economic restoration of western Europe.

The United States has strongly supported the efforts of these nations to repair the devastation of war and restore a sound world economy. In presenting this program to the Congress last December, I emphasized the necessity for speedy action. Every event in Europe since that day has underlined the great urgency for the prompt adoption of this measure.

The Soviet Union and its satellites were invited to cooperate in the European Recovery Program. They rejected the invitation. More than that, they have declared their violent hostility to the program and are aggressively attempting to wreck it.

They see in it a major obstacle to their designs to subjugate the free community of Europe. They do not want the United States to help Europe. They do not even want the 16 cooperating countries to help themselves.

While economic recovery in Europe is essential, measures for economic rehabilitation alone are not enough. The free nations of Europe realize that economic recovery, if it is to succeed, must be afforded some measure of protection against internal and external aggression. The movement toward economic cooperation has been followed by

a movement toward common self-protection in the face of the growing menace to their freedom.

At the very moment I am addressing you, five nations of the European community, in Brussels, are signing a 50-year agreement for economic cooperation and common defense against aggression.

This action has great significance, for this agreement was not imposed by the decree of a more powerful neighbor. It was the free choice of independent governments representing the will of their people, and acting within the terms of the Charter of the United Nations.

Its significance goes far beyond the actual terms of the agreement itself. It is a notable step in the direction of unity in Europe for the protection and preservation of its civilization. This development deserves our full support. I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so.

The recent developments in Europe present this nation with fundamental issues of vital importance.

I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs. The Charter constitutes the basic expression of the code of international ethics to which this country is dedicated. We cannot, however, close our eyes to the harsh fact that through obstruction and even defiance on the part of one nation, this great dream has not yet become a full reality.

It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate. There is some risk involved in action—there always is. But there is far more risk in failure to act.

For if we act wisely now, we shall strengthen the powerful forces for freedom, justice, and peace which are represented by the United Nations and the free nations of the world.

I regard it as my duty, therefore, to recommend to the Congress those measures which, in my judgment, are best calculated to give support to the free and democratic nations of Europe and to improve the solid foundation of our own national strength.

First, I recommend that the Congress speedily complete its action on the European Recovery Program. That program is the foundation of our policy of assistance to the free nations of Europe.

Prompt passage of that program is the most telling contribution we can now make toward peace.

The decisive action which the Senate has taken without regard to partisan political considerations is a striking example of the effective working of democracy.

Time is now of critical importance. I am encouraged by the information which has come to me concerning the plans for expeditious action by the House of Representatives. I hope that no single day will be needlessly lost.

Second, I recommend prompt enactment of universal training legislation.

Until the free nations of Europe have regained their strength, and so long as Communism threatens the very existence of democracy, the United States must remain strong enough to support those countries of Europe which are threatened with Communist control and police-state rule.

I believe that we have learned the importance of maintaining military strength as a means of preventing war. We have found that a sound military system is necessary in time of peace if we are to remain at peace. Aggressors in the past, relying on our apparent lack of military force, have unwisely precipitated war. Although they have been led to destruction by their misconception of our strength, we have paid a terrible price for our unpreparedness.

Universal training is the only feasible means by which the civilian components of our armed forces can be built up to the strength required if we are to be prepared for emergencies. Our ability to mobilize large numbers of trained men in time of emergency could forestall future conflict and, together with other measures of national policy, could restore stability to the world.

The adoption of universal training by the United States at this time would be unmistakable evidence to all the world of our determination to back the will to peace with the strength for peace. I am convinced that the decision of the American people, expressed through the Congress, to adopt universal training would be of first importance in giving courage to every free government in the world.

Third, I recommend the temporary reenactment of selective-service legislation in order to maintain our armed forces at their authorized strength.

Our armed forces lack the necessary men to maintain their authorized strength. They have been unable to maintain their authorized strength through voluntary enlistments, even though such strength has been reduced to the very minimum necessary to meet our obligations abroad and is far below the minimum which should always be available in the continental United States.

We cannot meet our international responsibilities unless we maintain our armed forces. It is of vital importance, for example, that we keep our

occupation forces in Germany until the peace is secure in Europe.

There is no conflict between the requirements of selective service for the regular forces and universal training for the reserve components. Selective service is necessary until the solid foundation of universal training can be established. Selective service can then be terminated and the regular forces may then be maintained on a voluntary basis.

The recommendations I have made represent the most urgent steps toward securing the peace and preventing war.

We must be ready to take every wise and necessary step to carry out this great purpose. This will require assistance to other nations. It will require an adequate and balanced military strength. We must be prepared to pay the price of peace, or assuredly we shall pay the price of war.

We in the United States remain determined to seek, by every possible means, a just and honorable basis for the settlement of international issues. We shall continue to give our strong allegiance to the United Nations as the principal means for international security based on law, not on force. We shall remain ready and anxious to join with all nations—I repeat, with all nations—in every possible effort to reach international understanding and agreement.

The door has never been closed, nor will it ever be closed, to the Soviet Union or any other nation which will genuinely cooperate in preserving the peace.

At the same time, we must not be confused about the central issue which confronts the world today.

The time has come when the free men and women of the world must face the threat to their liberty squarely and courageously.

The United States has a tremendous responsibility to act according to the measure of our power for good in the world. We have learned that we must earn the peace we seek just as we earned victory in war, not by wishful thinking but by realistic effort.

At no time in our history has unity among our people been so vital as it is at the present time.

Unity of purpose, unity of effort, and unity of spirit are essential to accomplish the task before us.

Each of us here in this chamber today has a special responsibility. The world situation is too critical, and the responsibilities of this country are too vast, to permit party struggles to weaken our influence for maintaining peace.

The American people have the right to assume that political considerations will not affect our working together. They have the right to assume that we will join hands, whole-heartedly and without reservation, in our efforts to preserve peace in the world.

With God's help we shall succeed.

Relation of Military Strength to Diplomatic Action

BY GEORGE C. MARSHALL¹

Secretary of State

MR. CHAIRMAN: You gentlemen have asked me to give my views on the need of our country taking at this time further measures to assure the national security. Any such measures must obviously relate to the foreign policy of the United States. In the world in which we live our national security can no longer be effectively weighed and dealt with in terms of the Western Hemisphere alone.

The President has spoken to the Congress this morning in joint session. You have before you the text of his address. It is not necessary for me to repeat what he said.

I wish to express in person to you my own concern over the accelerated trend in Europe. In the short years since the end of hostilities this trend has grown from a trickle into a torrent. One by one, the Balkan States, except Greece, lost all semblance of national independence. Then two friendly nations—first Hungary and last week Czechoslovakia—have been forced into complete submission to the Communist control.

Within one month the people of Italy, whose Government we had a large part in reconstituting, will hold a national election. The outcome of that election has an importance far beyond local Italian affairs. It will decide not only whether Italy will continue with its restoration into a true democracy. It will foretell whether the disintegrating trend to which I have referred may reach the shores of the Atlantic.

It is said that history never repeats itself. Yet if these free people one by one are subjugated to police-state control even the blind may see in that subjugation of liberty a deadly parallel.

The Government of the United States has undertaken steps to meet this disintegrating trend in the heart of Europe. The comprehensive proposal in this regard is the Recovery Program legislation now under active consideration in the House. This program, I believe, is a fundamental requirement for the strengthening of the western nations of Europe.

But this economic program in the existing situation is not a complete answer. It is said that one cannot buy peace and prosperity with dollars. The accelerating march of events in European areas has now made it clear that reliance for the future safety of those areas cannot be placed alone on the slow processes of reconstruction financed with our help. There is something more for the United States to do. We must show, conclusively, by decisive legislative action, to all the nations

of the world that the United States intends to be strong and to hold that strength ready to keep the European world both at peace and free.

Diplomatic action, without the backing of military strength, in the present world can lead only to appeasement. The President today indicated that we have made every effort of negotiation, and of organization in the United Nations, to find a way to understandings and agreement. I said in my final report as Chief of Staff in 1945, "War is not the choice of those who wish passionately for peace; it is the choice of those who are willing to resort to violence for political advantage".

I regard the present military policy of this Government as one based largely on meeting the problems of attrition, with the contrasting necessity for larger and larger appropriations to give us security.

Perhaps my meaning could be made clearer by a comparison of the German procedure under Hitler with that proposed under a policy of universal military training. The Nazis devoted all the resources of Germany in preparation for war on a given date, September 1, 1939. The purpose and procedure under universal military training is exactly the opposite. We would be striving to avoid such dates. We want peace; we want to avoid war. Therefore, among other things, we want a system which will be bearable financially, which will not bankrupt the country, a system which, adjusted to world conditions, can be continued at a minimum of cost and personal contribution, a system in accordance with our traditions and strong desires.

I see no possible way financially to maintain a reasonable military posture except on the foundation of universal military training. The consideration of this subject has been confused by discussions of amounts, requirements, administration, and various conflicting beliefs. The clear-cut issue is whether or not this country will stand before the world for at least the next five or ten years in a position appropriate to its leadership in furthering the perpetuation of free governments and avoiding their transition into police states. We desire a state of affairs which would make repetitions of the fate of Hungary and Czechoslovakia, the intimidation of Finland, the

¹ Made before the Armed Services Committee of the Senate on Mar. 17, 1948, and released to the press on the same date

subversive operations in Italy and France, and the cold-blooded efforts to destroy the Greek Government unlikely, because they would definitely be fraught with real danger to those who would attempt such action.

Many of the measures complementary to universal military training would be strengthened and facilitated by the latter. The maintenance of the Army, the Navy, and the Air Force at suitable strength on a volunteer basis would be made easier, I am sure. But what is much more important, the National Guard would be greatly strengthened and made a vital citizen force immediately available in an emergency, which it cannot be under existing conditions. The quality of the R.O.T.C. would be much improved, the training put on a higher level, and the time for such training materially shortened. Finally, universal military training would bring to millions of American families a sense of individual and collective responsibility of the duty to help assure security and peace for ourselves and for the world. There is evidence that the majority of American men and

women are ready to follow courageous leadership toward that end.

Due to the rapid dwindling in the strength of the armed forces, the temporary application of selective service is also necessary. A reconsideration of our air program is necessary, but first of all, I am convinced that the decision of the American people to adopt the democratic procedure of universal training would strengthen every free government. The combination of two things, the enactment of the European Recovery Program on the one hand and a decision by the American people that clearly indicates that they are determined in their course, is necessary now, I think, to the maintenance of peace in the world.

Referring to a discussion of universal military training in my final report as Chief of Staff in September 1945, I closed with these words: "We can fortify ourselves against disaster, I am convinced, by the measures I have here outlined. In these protections we can face the future with a reasonable hope for the best and with quiet assurance that even though the worst may come, we are prepared for it."

World-Wide Struggle Between Freedom and Tyranny

BY GEORGE C. MARSHALL¹

Secretary of State

I am honored by the invitation of the University of California to participate in this Charter Day celebration. I am particularly glad to be present because, except for hurried military inspections of a few hours' duration during the war or brief stopovers en route to and from the Far East, I had no opportunity to accept any of the numerous hospitable invitations I have received from California. My first contact with the University was to assist the then Dean Barrows in the instruction of a few of your R.O.T.C. students on a week-end camping trip. That, I think, was in 1916. During the holiday period of that year I was asked to speak at the first convention of the personnel of the Forestry Department on the west coast which was held in one of your lecture rooms. Those represent my previous contacts with the University.

For a number of years I have been deeply interested in educational procedures. You may not have realized it, but effective and expeditious instructional procedure has been a very important requirement imposed by our military policy—a policy which has always involved the hasty development of military forces after the arrival of

the emergency. Your tremendous plant, instructional procedure, and large student body are of great interest to me, particularly during these days when so many former service men are students in the colleges and universities. In that connection, I must be frank to admit that I once felt the Government would receive only a small return on its financial outlay in guaranteeing to our veterans their present educational opportunities. I have been proved completely wrong in my anticipation, for I am told, wherever I go in the educational world, that the veterans have not only done extraordinarily well, but that they have set a high standard for the universities and future students to maintain. At Amherst last June I addressed a graduating class of which 80 percent were veterans, and the experience there led me to speculate regarding the future effect on this country of a citizenship dominated by men and women who have seen much of the world, not hurriedly, but intimately for years at a time and have had their own characters tested by the hardships and dangers to which they were exposed. This broad experience, followed later by a college or university education at a mature age, will be productive of a new brand of citizen whose wisdom and foresight may avoid the dangers of our past mistakes.

Everyone's thoughts turn today to the situation abroad—Europe, the Middle East, and the Far

¹An address delivered at the University of California at Berkeley, Calif., on Mar. 19, 1948, and released to the press on the same date.

East. Never before in history has the world situation been more threatening to our ideals and interests than at the present time. A depressing aspect of the situation is the duplication in Europe of the highhanded and calculated procedure of the Nazi régime. The organization of the satellite states—under the Communistic doctrine and the methods of the police-state formula—was carried out rather quietly. The take-over of Hungary was a bolder exhibition of the same technique. The directed and fomented strikes of last December in France and Italy were another evidence of the same direction and procedure but adapted to quite different circumstances.

The Czechoslovakia incident, however, was both bold and truculent in procedure, quite evidently staged to impress the people of Finland and the remainder of the free states of western Europe. The procedure is in accordance with the frank declaration of the Soviet Government and Communist parties to oppose in every way possible the development of the European Recovery Program.

In view of all that has already been said and the statement by the President on Wednesday before the joint session of the Congress, I am uncertain as to what I might add to convince the American people that this is a world-wide struggle between freedom and tyranny, between the self-rule of the many as opposed to the dictatorship of a ruthless few. It should now be perfectly clear that rule based on threats and force instead of on reason and justice must not be allowed to spread further unchecked.

The speed with which the campaign of the Communist parties in Europe has developed in a well-ordered sequence of events demonstrates the initial advantage of dictators in dealing with democracies such as ours. The decision of a small group of men, possibly a dozen, quickly and conclusively determines the action to be taken on a large scale throughout Europe, and everything is coordinated with that decision—the absolute control of the press, the domination of the people, the conduct of a skilful campaign of propaganda, the complete misrepresentation of the attitude and purposes of any country opposed to the procedure—all is arbitrarily decided upon.

Our decisions, our actions in regard to these developments are of great importance. We have an acknowledged position of leadership in the world. We have been spared the destruction of war which literally flattened Europe. We are enjoying a high degree of prosperity. These things being so, the character and strength of our leadership may well be decisive in the present situation. We cannot evade the issue by the negative procedure of inaction. By so doing we would vacate our dominant position of leadership and thereby revert to a secondary role—a role which inevitably would deprive each of us of those American principles

of freedom and justice we have always upheld by every means available.

I would make the same comment regarding the general world situation but in this case applying it more to the problem of just where and how we should exert our influence. Unfortunately, critical situations are not confined to Europe. They exist in the Middle East, in Indonesia, in China—and we cannot ignore Latin America, or our direct responsibilities in Japan and Korea. Therefore, very important decisions must be made by our Government as to exactly what we should do to meet these various crises. Our means are not unlimited—we must not spend our efforts unwisely.

As a matter of fact, I find the present situation disturbingly similar to that with which I labored as Chief of Staff. I watched the Nazi Government take control of one country after another until finally Poland was invaded in a direct military operation. For several years I had to withstand heavy pressures from various theaters of operation in the world for assistance—support in the form of matériel—without regard to our then extremely limited resources available in the United States. Later, after our entry into the war, these pressures greatly increased in the demand for support to an extent which if met would have rendered us ineffective, I think, on almost every field of action. This situation continued up to the time of our landings in Normandy and even after the liberation of France still continued regarding our forces in Italy and in the western Pacific.

I find myself in virtually the same position today as I was during those war years, and the decisions are just as difficult and equally important. Rich and powerful as we are, we cannot afford to disperse our efforts to a degree which would render all ineffective. Every region has its claims and its proponents, and it is therefore necessary to decide on a general strategy to be employed, having in mind the entire world situation.

One factor I especially wish to make clear today is the importance of timely action on our part in the face of the dictatorial procedure with which we are confronted in Europe. Take, for example, the Recovery Program. It has not been a question of a small group of men deciding what was the best thing to do and then immediately giving directions for carrying out that decision. On the contrary, the initial suggestion which resulted in this program was made June 5, 1947. Sixteen nations responded immediately and early in September submitted a statement of their agreements and their proposals. At the same time three highly representative committees of distinguished citizens in this country studied the various aspects of the matter and made their reports in September and early October. Finally, the matter was carried to the Congress which had been convened

in a special session last fall. There have been committee hearings; there have been the recommendations and proposals of a Congressional group who studied matters abroad last summer. There has just been completed the debate on this subject in the Senate, followed by a highly favorable vote. The House Committee makes its report this week, I think. The debate and vote in the House are soon to follow. Yet the original suggestion was made almost a year ago.

All of this procedure is as we would have it. It is but an expression of a democracy of free men carefully considering and debating what had best be done. In one sense it represents much of what we fought for during the last war. But our problem is how, with the rapid march of events in Europe, to meet the situation. Earlier in this talk I used the expression "initial advantage". What I meant to imply was that the initial advantage is almost always on the side of the dictators, as it was overwhelmingly in the last war. In the long run, I am sure, the democracies will invariably win out. But the trouble is that the lapse of time may result in such a serious loss of position and strength that the task of the democracies may involve a long, hard struggle to recover the ground thus lost.

A special effort is now being made to carry through the European Recovery Program promptly to final approval. This program, as you know, is based on economic factors. I agree that the economic reinforcement of the free nations will not alone guarantee their safety under existing conditions. But it should so strengthen them that they will have a far better chance of defending themselves and their governments against transition into police states dominated by the central committee of the Communist Party in Europe. My concern is to see us reach a prompt decision in regard to this program and not delay action while discussing new conceptions or proposals regarding related matters.

In connection with the electoral campaign now in progress in Italy, the leaders of the Communist Party have given their interpretation to the policy of the United States in connection with the outcome of these elections. They publicly asserted that if their party, the Communist Party, is victorious at the polls American assistance to Italy will continue without change.

I have only this comment to make regarding that interpretation of the policy of the United States:

The European Recovery Program has been created on the basis of the voluntary association of 16 nations who came together of their own free will and drew up a program of mutual self-help for their economic recovery. There has been no compulsion or pressure of any sort in regard to

association in this great cooperative effort. The United States has undertaken to assist these cooperating nations in this large task.

However, on the other side, the record is unmistakable. Every European nation which is under the influence of the Communists has been prevented from participation in the European Recovery Program. Some have been deprived of the right to participate, clearly against their own wishes.

Since the association is entirely voluntary, the people of any nation have a right to change their minds and, in effect, withdraw. If they choose to vote into power a government in which the dominant political force would be a party whose hostility to this program has been frequently, publicly, and emphatically proclaimed, this could only be considered as evidence of the desire of that country to disassociate itself from the program. This Government would have to conclude that Italy had removed itself from the benefits of the European Recovery Program.

Referring again to the suggestion of last June and what has followed, I think it was most encouraging to find that a group of 16 nations could reach an agreement for cooperative action involving great concessions in their traditions and local points of view for the good of the many. Representatives of these 16 nations now are in session to work out an agreement for a continuing organization which will supervise the implementation of their joint effort to assure the success of the European Recovery Program.

In further evidence of their determination to cooperate for the common good, Belgium, France, Luxembourg, the Netherlands, and Great Britain have just entered into a treaty providing for extensive cultural, economic, social, and military cooperation and affirming their determination to stand together for the common defense of their freedom.

Such concerted actions as these are very encouraging factors in the struggle for freedom and for peace and security and demand our cooperation and assistance.

There are a number of suggestions for other methods of economic or political procedure for us to take regarding Europe. All must be carefully considered, but the point I would make is that we have started on a carefully developed program which practically everybody acknowledges is of great importance, and virtually all agree that time is a critical factor, particularly for Italy. A prompt decision is what is urgently needed.

In conclusion I would say that our purpose, our policy, is to stand firm on basic principles but at the same time to keep the door wide open for any general conciliatory moves. We are sincerely anxious to find a sound basis for reaching an agreement which will terminate once and for all the

present dangerous situation. We shall continue to do everything possible to reach an agreement. But until such time as a real settlement can be reached, however, it must be our policy to discourage and to oppose further encroachment on the rights and lives of free peoples. The immediate means for effective assertion of that policy is the

prompt enactment and immediate application of the European Recovery Program. This is fundamental to all our future decisions in dealing with a situation as grave as any that has ever confronted this Nation. The President has presented to the Congress the further measures which should be taken.

Recommendation for Return of Free Territory of Trieste to Italy

STATEMENT BY THE GOVERNMENTS OF THE U.S., U.K., AND FRANCE

[Released to the press March 20]

The Governments of the United States, the United Kingdom, and France have proposed to the Governments of the Soviet Union and Italy that those Governments join in agreement on an additional protocol to the treaty of peace with Italy which would place the Free Territory of Trieste once more under Italian sovereignty.

The Governments of the United States, the United Kingdom, and France have come to this decision because discussions in the Security Council have already shown that agreement on the selection of a governor is impossible and because they have received abundant evidence to show that the Yugoslav zone has been completely transformed in character and has been virtually incorporated into Yugoslavia by procedures which do not respect the desire expressed by the powers to give an independent and democratic status to the Territory.

During the Council of Foreign Ministers' discussion of the Italian peace treaty it was the consistent position of the American, British, and French representatives that Trieste, which has an overwhelmingly Italian population, must remain an Italian city. Given the impossibility of securing the adoption of such a solution, the three Governments agreed that the city and a small hinterland should be established as a Free Territory under a statute which it was hoped would guarantee, with the cooperation of all parties concerned, the independence of the people of the area, including the Italian city of Trieste.

Pending the assumption of office by a governor, the Free Territory has been administered by the Commander, British-United States Forces, in the northern zone of the Territory, and by the Commander, Yugoslav Forces, in the southern zone. In the U.K.-U.S. zone the Anglo-American military authorities have acted as caretakers for the governor to be appointed and for the democratic organs of popular representation for which the permanent statute of the Territory makes provision. At the same time Yugoslavia has taken, in the zone under her charge, measures which defi-

nately compromise the possibility of applying the statute.

In these circumstances the three Governments have concluded that the present settlement cannot guarantee the preservation of the basic rights and interests of the people of the Free Territory.

The Governments of the United States, the United Kingdom, and France have therefore decided to recommend the return of the Free Territory of Trieste to Italian sovereignty as the best solution to meet the democratic aspirations of the people and make possible the reestablishment of peace and stability in the area.

In as much as the Security Council has assumed the responsibility for the independence and territorial integrity of the Free Territory of Trieste, the Governments of the United States, the United Kingdom, and France will submit to the Security Council for approval the arrangements to be jointly agreed upon.

Intentions of Czechoslovakia To Sign ITO Agreement Studied

[Released to the press March 20]

The Government of Czechoslovakia has informed this Government that on March 20, 1948, it intends to sign the protocol of provisional application of the general agreement on tariffs and trade and to put the agreement provisionally into effect on April 20, 1948. The general agreement is a comprehensive trade agreement among 23 nations, the negotiations concerning which were completed October 30, 1947, at a meeting in Geneva, Switzerland.

The United States Government is examining the implications and obligations of the agreement in the light of the recent developments in Czechoslovakia.

Current and Prospective World-Wide Petroleum Situation¹

Petroleum is in short supply in the United States as in many other countries throughout the world. As a result, repeated urgent requests are being received from foreign countries for United States Government assistance in obtaining the petroleum supplies necessary to meet their essential requirements.

The Oil-Industry Committee in the United States, appointed by a Senate committee, under the chairmanship of Senator Tobey, to study the petroleum situation in the United States, has recently reported that for the period of December 1947 through March 1948 in the New England and Middle Atlantic States there will be a 15 percent shortage of gas and distillate fuel oil and that for the entire area east of the Rockies the shortage will be 10 percent. It is anticipated that the shortage in gasoline and other products in season will be approximately the same order of magnitude and that there may not be a general improvement for some time. The Committee recommended that every effort be made to conserve fuel, that petroleum products be used only for essential purposes, and that wherever conversion from oil to coal is practicable, the change should be made. The Committee asked all consumers to cooperate in economizing in the utilization of petroleum products.

Since shortly before the war world-wide petroleum requirements have grown at a more rapid rate than at any other time in the history of the industry. World-wide consumption was approximately 5,000,000 barrels a day in 1938, is approximately 8,500,000 barrels a day today, and the requirements estimated in the Krug Committee Report for 1951 will be 10,000,000 barrels a day. World consumption grew to 5,000,000 barrels a day in about eighty years; it is expected to double in the succeeding twelve or thirteen years. The industry believes that this 10,000,000 barrel-a-day rate will be reached before 1951, probably in 1950.

The supply of petroleum products is limited by the availability of crude oil and the capacity of the world's transportation and refining facilities. Although there may be a small amount of available crude-oil productive capacity in the Middle East, it is not available because of lack of transportation and refineries. On a world-wide basis the facilities for the production and distribution

of petroleum products are being operated at capacity.

If an increase in world demand of 1,500,000 barrels a day during the next three years is to be met, there must be not only an increase in that amount of crude-oil production but also increased refining capacity, pipelines, and tankers. Such a program will necessitate the discovery and development of new reserves and the construction of additional refining and transportation facilities. Anyone familiar with the operations of the industry knows that this rate of growth would be staggering even if all the steel and other necessary matériel were readily available. With the critical shortage of matériel, particularly steel products, the task becomes immeasurably more difficult.

The United States recognizes the importance to all countries of meeting their essential requirements for petroleum products in order to sustain their economies. At the same time there is a limit to the assistance which can be given by exporting petroleum products from the United States. The United States is today a net importer of petroleum despite the fact that it is producing its reserves at capacity. The rate at which domestic requirements are growing indicates that the volume of net imports can be expected to increase steadily. The United States, therefore, cannot be expected to continue long in the future to supply any substantial part of the requirements of other countries, except for lubricating oils and other specialty products.

The economies of most countries have become dependent in large part upon petroleum. As petroleum is expected to be in short supply for the next few years at least, it would be desirable for any country wishing to insure itself against an insufficiency of petroleum to examine its own area to determine the possibilities for the development of indigenous petroleum resources. Many countries in the Western Hemisphere are believed to possess large unexplored areas where the possibilities are good for the development of important petroleum reserves. Intensive exploration and development operations in these areas might well produce more than enough oil for local consumption, leaving a surplus for export. The critical world-wide shortage of petroleum supplies is a factor to be taken into account by all countries in deciding the extent and rate at which their oil reserves are to be developed.

The development of petroleum resources of any country with large potential oil areas requires vast amounts of capital, efficient management, and

¹ Memorandum submitted by the United States Representative to the Inter-American Economic and Social Council of the PAU on Mar. 8, 1948, and released to the press on Mar. 19.

large numbers of highly trained technical and scientific personnel. It is doubtful whether any one company or entity, no matter how large, could be expected to develop such resources successfully and efficiently. What is required is access to the best petroleum technology, great diversity of effort, and access to adequate and large volumes of risk capital, all of which would be available fully and freely by calling upon the world petroleum industry.

Any country would derive many benefits from the development of its petroleum resources. Such development would produce oil required by its economy, including fuel for its expanding industrialization, and permit the rapid expansion of its economy, resulting in greater industrialization, higher standards of living, a saving in foreign exchange, and an opportunity to greatly enhance its exchange position by exporting petroleum.

THE CONGRESS

Ratifications of Constitutional Amendment Regarding President's Terms of Office

The Governor of the Commonwealth of Virginia has notified the Secretary of State of ratification by the General Assembly of the proposed amendment to the Constitution of the United States relative to the terms of office of the President. The notice received from Virginia is the nineteenth reported to the Secretary of State in accordance with law (5 U.S. Code, sec. 160), and the first notice received in 1948.

The following list shows the action taken by States on the proposed amendment, arranged in the order of the ratifications:

State	Date of ratification	Date of receipt of notification by the Department of State
Maine	Mar. 31, 1947	Apr. 8, 1947
Michigan	Mar. 31, 1947	Apr. 25, 1947
Iowa	Apr. 1, 1947	Apr. 8, 1947
Kansas	Apr. 1, 1947	Apr. 25, 1947
New Hampshire	Apr. 1, 1947	Apr. 21, 1947
Delaware	Apr. 2, 1947	June 2, 1947
Illinois	Apr. 3, 1947	Apr. 14, 1947
Oregon	Apr. 3, 1947	June 9, 1947
Colorado	Apr. 12, 1947	May 26, 1947
California	Apr. 15, 1947	Apr. 25, 1947
New Jersey	Apr. 15, 1947	May 20, 1947
Vermont	Apr. 15, 1947	Apr. 21, 1947
Ohio	Apr. 16, 1947	Apr. 25, 1947
Wisconsin	Apr. 16, 1947	June 6, 1947
Pennsylvania	Apr. 29, 1947	May 5, 1947
Connecticut	May 21, 1947	June 10, 1947
Missouri	May 22, 1947	July 25, 1947
Nebraska	May 23, 1947	June 12, 1947
Virginia	Jan. 28, 1948	Mar. 11, 1948

The Department of State on June 9, 1947, received a letter from the Governor of Oklahoma stating that a joint resolution ratifying the proposed amendment had failed to pass.

THE FOREIGN SERVICE

Consular Offices

The American Consulate General at Bratislava, Czechoslovakia, was opened to the public on March 1, 1948.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Austria: Zones of Occupation and the Administration of the City of Vienna. Treaties and Other International Acts Series 1600. Pub. 2861. 9 pp., 2 maps. 35¢.

Agreement Between the United States of America and Other Governments—Signed at London July 9, 1945; entered into force July 24, 1945.

United States Educational Foundation in Burma. Treaties and Other International Acts Series 1685. Pub. 3051. 7 pp. 5¢.

Agreement Between the United States of America and Burma—Signed at Rangoon December 22, 1947; entered into force December 22, 1947.

Twenty-fifth Report to Congress on Lend-Lease Operations: Lend-Lease Fiscal Operations, March 11, 1941 through June 30, 1947. Pub. 3064. 77 pp.

Diplomatic List, March 1948. Pub. 3086. 189 pp. 20¢.

Monthly list of foreign diplomatic representatives in Washington, with their addresses.

American Trade Policy. Commercial Policy Series 110. Pub. 3091. 13 pp.

An article by Woodbury Willoughby describing the background of present U.S. policy for the elimination of trade discriminations and reduction of trade barriers, and the charter for an International Trade Organization which came out of the Habana trade and employment conference.

United States Foreign Economic Policy. General Foreign Policy Series 1. Pub. 3097. 11 pp. Free.

Address by Winthrop G. Brown discussing our stake in the European Recovery Program, the International Trade Organization, and the trade agreements program.

Toward Securing the Peace and Preventing War: Address by the President to the Congress of the United States, March 17, 1948. General Foreign Policy Series 2. Pub. 3102. 5 pp. Free.

The President's report on the critical international situation, requesting prompt passage of the European Recovery Program and universal military training and temporary revival of selective service.

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