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Aspects of Current
AMERICAN
FOREIGN POLICY

THE DEPARTMENT OF STATE

Aspects of Current
American
Foreign Policy

OCTOBER 20, 1947



INFORMATION SERVICE
Madras

DEPARTMENT OF STATE

Publication 2961

Released November 1947

DIVISION OF PUBLICATIONS
OFFICE OF PUBLIC AFFAIRS

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INTRODUCTION

NEVER BEFORE HAVE the American people asked so many questions about the facts of our international life. Into the Department of State alone flows a stream of written inquiries in this field, increasing in volume and averaging recently more than 5,000 per month.

The foreign policy of the United States cannot be codified or given formal legal expression in any single official document. It does not lend itself to such treatment, for it must remain flexible and capable of adjustment to the changing circumstances of the times.

Our foreign policy is expressed in a variety of ways. Congressional legislation is very important in developing it, as illustrated by the Neutrality Acts of 1935 and 1937, and their repeal in 1939, and by Congressional provision for financial aid to countries in economic distress.

The President's constitutional position gives him a large range of initiative in determining the course of foreign policy. He may negotiate treaties and, with the advice of the Senate, ratify them. He may lay down important principles, as was done by President Monroe in the case of the Monroe Doctrine, and by Presidents Polk and Theodore Roosevelt in elaborating it.

Within lines laid down by the President, the Secretary of State makes foreign policy, as was done by Secretary Hay, in enunciating the principle of the Open Door in China, and by Secretary Stimson in proclaiming the principle of non-recognition of the fruits of territorial aggression.

The role of public opinion is also important in the formation of foreign policy, as well as in carrying it out. "In a democracy", said Secretary Marshall on July 1, 1947, "no policy, whether foreign or domestic, has the slightest chance of being effective unless it enjoys popular support." With the growing importance of our international relationships in the lives of our people, the impact of public opinion on policy determination in this field tends correspondingly to increase.

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Most foreign policies take shape gradually. They rarely spring full-fledged from the mind of any individual, particularly if grave national interests are involved. Decisions must be reached in the midst of conflicting alternatives and conflicting opinions. Our Government entered World War I only after a long series of events which led ultimately to the crystallization of American opinion inside and outside the Government.

The principles and objectives which govern our foreign policy have been stated from time to time, generally by our Presidents and Secretaries of State. Fundamental among these are considerations of national security, economic welfare, and the maintenance of peace. In addition, there are more specific long-term objectives which serve as guideposts in the conduct of policy from day to day. President Truman, on October 27, 1945, set forth certain of these objectives which, he said, the United States would seek to realize in the postwar world. They were concerned with the consummation of a just peace, the restoration of economic health to the world, the promotion of democracy with its basic individual freedoms, and the building of institutions for the maintenance of peace.

The realization of certain of these objectives has not lain exclusively within the determination of the United States, nor has it been possible thus far to secure the necessary cooperation from other powers to enable us to hope to realize all of them immediately. Nevertheless, the United States occupies such a position of responsibility in world politics that it finds itself called upon to take the initiative in attempting, along with other powers, to find solutions for those problems which, if not solved, could lead to catastrophe.

The following pages do not purport to examine the entire field of our foreign policy, nor any part of it in exhaustive detail. They outline a number of the major foreign-policy problems confronting the United States today, and some of the difficulties involved in their solution. It is hoped, however, that this relatively brief discussion will help American citizens to understand better certain of the issues and problems in our relations with other nations.

1. PEACEMAKING AND OCCUPATION

THE PEACE TREATIES which finally came into force on September 15, 1947, between the major Allied powers on the one hand and Italy, Rumania, Hungary, Bulgaria, and Finland on the other¹ mark only a way-station on the long road toward a complete peace settlement after World War II. More than two years after the last shot was fired, most of the world is still in a technical state of war with Germany and Japan, while Austria and Korea, although liberated countries, remain under military occupation and lack treaty status in the family of nations. A basic aim of the United States is to press for the necessary treaty settlements which will permit the withdrawal of occupation troops and enable all nations of the world to return as soon as possible to a peacetime basis.

The principles of the peace settlement, and even some of the specific peace aims, were laid down early in the war. President Roosevelt's Four Freedoms (January 1941), the Atlantic Charter (August 1941), and the Declaration by United Nations (January 1942) gave promise of a postwar world in which there would be an international organization, based on economic and political cooperation and the enjoyment by all peoples of the elementary freedoms of speech and religion, and relief from want and fear. At the famous wartime conferences held at Moscow (October-November 1943), Cairo and Tehran (November 1943), Yalta (February 1945), and Berlin (July-August 1945) the major Allies agreed upon additional and more specific goals for victory and peace. Austria and Korea were to become free and independent; Germany and Japan were to be deprived of future warmaking

¹ The United States was not at war with Finland and consequently did not sign the treaty with that country.

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power and required to pay reparations in kind and to lose certain territory; Fascism, Nazism, and militarism were to be wiped out; the peoples of the liberated and Axis satellite countries in Europe were to be assisted in carrying out emergency relief measures and establishing democratic governments based on free elections.

Despite these wide areas of agreement, it was obvious after the surrender of Germany and Japan that peacemaking concerning these two major aggressors would be a long and difficult process. Accordingly, the initial effort was directed at obtaining peace settlements with Italy and the four former Axis satellites in Europe. After two years of intensive negotiation, including one meeting of the Foreign Ministers of the United States, the United Kingdom, and the Soviet Union, four sessions of the Council of Foreign Ministers (the U. S., U. K., U. S. S. R., and France) and a two months' general Peace Conference at Paris, these five treaties were finally completed. As former Secretary of State Byrnes said of the drafts, they "are not the best which human wit could devise. But they are the best which human wit could get the four principal Allies to agree upon."

In negotiating and applying these treaties with Italy, Rumania, Hungary, Bulgaria, and Finland, there were major disagreements among the Allies on reparations, disputed boundaries, equality of economic opportunity, and the interpretation of "democratic" rights and processes. Despite the compromises necessary to achieve agreement on the treaties, certain thorny problems remain unsolved, such as the ultimate disposition of the Italian colonies and the establishment of a workable government for the "Free Territory of Trieste".

Ever since the early part of 1946 the United States has stressed the importance of beginning the task of drafting settlements for the international problems represented by Austria, Germany, Japan, and Korea. Until such settlements can be made, American forces of occupation continue to be stationed in these four countries in order to carry out our policy of furthering democratic development, economic stability, and the establishment of a status of peace.

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GERMANY

Security from any possible renewal of aggression by Germany was insured in the short run by the immediate disarmament of that country, as provided in the Potsdam protocol, which was signed by President Truman, Prime Minister Attlee, and Generalissimo Stalin at their conference in Berlin during July and August 1945. This agreement authorized the dismantling by each occupying power of German military installations and war-production factories within its zone of occupation.

The United States, however, felt that disarmament was not sufficient in itself and that American, as well as European, security required that the long-term demilitarization of Germany be guaranteed and enforced by the four major victors (i.e., the United States, the United Kingdom, the Soviet Union, and France). In 1946 Secretary of State Byrnes first proposed such a four-power pact to run for 25 years, subject to renewal if desired by the other Allied powers. The offer was not accepted by the Soviet Union, although it was favorably received by the British and French Governments.

Fundamental to our policy in Germany has been the drive against Nazism and militarism. This has been carried out through the trials at Nürnberg of high Nazi officials, the abolition of Nazi organizations and laws, and the fostering in the United States zone of a rigorous denazification program, carried out by the Germans themselves and designed to remove from important public or private positions all members of the former Nazi party who were "more than nominal participants in its activities". Measures have also been taken in accordance with the Potsdam agreement to eliminate the "excessive concentration of economic power" as exemplified by cartels and other monopolistic arrangements.

The basic democratic freedoms have been granted to the Germans in the American zone to the fullest extent consistent with the security of our forces and the objectives of the occupation. Furthermore, the development of a responsible German administration in each of the four states (*Länder*) of the American zone

has afforded the Germans practical education in the methods of democratic self-government and has encouraged wholesome local participation in matters of civic interest. Textbooks and teachers are thoroughly screened in order to exclude Nazi or militaristic ideologies from the educational system.

The United States Government realizes that the development of a peaceful and democratic Germany requires economic rehabilitation and stability. In the words of the high policy directive issued in July 1947 to the head of the United States military government in Germany, our aim is to "encourage the German people to rebuild a self-supporting state devoted to peaceful purposes, integrated into the economy of Europe".

In accordance with article 14 of the Potsdam protocol, the United States has striven to attain four-power administration of Germany "as a single economic unit". When the French and Soviet Governments proved unwilling to take the steps necessary to accomplish this, Secretary of State Byrnes announced at the Conference of Foreign Ministers in July 1946 that his Government could not permit the continuation of the existing situation, which was leading toward economic chaos, and that the American zone would merge economically with any zone or zones willing to join. This offer, which is still open to all other zones, has been accepted thus far only by the British. A formal agreement providing for the economic fusion of the two zones was announced in December 1946 with the object of making the bizonal area self-supporting within three years.

When the objective of economic unity for Germany again failed to materialize at the Conference of Foreign Ministers in Moscow (March-April 1947), it was apparent that a revision would have to be made in the level of industry to be permitted in the bizonal area, if that area were to become self-supporting. The previous level-of-industry plan for Germany (1946) was based on the theory that Germany would be treated as an economic entity. Since there was no early prospect of achieving that objective, the revival of the economy in the bizonal area required an upward adjustment in the industries permitted to operate in

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that deficit area. A new level-of-industry plan for the U. S.-U. K. zones was announced in August 1947. The revival of industries in the two zones, within the scope of that plan, is designed not only to free the American and British taxpayers of the heavy financial burden of supporting the zones but also to provide more favorable conditions for the development of democracy among the German population and to promote the economic revival of Europe through the contributions which Germany should be able to make.

Discussions held thus far on the basis of a settlement concerning Germany have revealed that the Soviet Union appears to oppose not only the four-power disarmament and demilitarization pact which the United States proposed but also other important aspects of American occupation policy which are based on the Potsdam protocol. The Soviet Government has made it plain that it favors a highly centralized form of government for Germany, although the Potsdam agreement specifies that the "administration in Germany should be directed towards the decentralization of the political structure and the development of local responsibility". It has opposed our persistent efforts to attain quadripartite cooperation in administering Germany "as a single economic unit". It has insisted that if Germany were to be treated as an economic entity all German industries would have to produce for reparations rather than for exports to pay for necessary imports. This proposal, which is considered contrary to the Potsdam reparations agreement, would actually result in the United States and Great Britain paying for such reparations, in as much as they would have to continue indefinitely to provide food and other essentials for their zones.

The Soviet Government has carried out unilaterally in its zone measures of far-reaching importance affecting the basic structure of German economic, political, and social life. In doing so, it has failed fully to implement the provisions of the Potsdam agreement permitting freedom of political activity, speech, and assembly. Continuation of this situation could only lead to a divided Germany, in which case the United States would be confronted with

the task of assisting Western Germany, at least, in developing along democratic lines and in taking part in the economic rehabilitation of Europe.

JAPAN

American policy toward Japan has followed essentially the same lines as that toward Germany. In the case of Japan, however, progress has been more rapid as a result of the unified command under General of the Army Douglas MacArthur, who occupies the position of Supreme Commander in Japan for all the Allied Powers. Immediate Japanese disarmament was achieved by the abolition of all Japanese armed services, the seizure of military and naval equipment, and the dissolution of all ultra-nationalistic and militaristic societies. As in the case of Germany, the United States then proposed a long-term security pact, guaranteeing the continued disarmament of the late aggressor. Although such a draft treaty was presented early in 1946 for the consideration of China, the Soviet Union, and the United Kingdom, no definitive action has yet been taken in this matter.

The International Military Tribunal for the Far East has brought to justice the leading Japanese war criminals and perpetrators of aggression. Vigorous steps have been taken to eliminate totalitarianism and absolutism in Japan. The Emperor has publicly denied the divinity of the ruling house and has thus refuted the basic principle of state Shinto. A new and liberal constitution has been adopted, guaranteeing civil liberties and greatly reducing the absolute power of the Emperor. Speaking of the first nationwide elections held under this constitution in April 1947, General MacArthur stated that the results justified the faith that the Japanese people would not fail in their new obligations and that the moderate course chosen by the Japanese was "sufficiently centered from either extreme to ensure the preservation of freedom and enhancement of individual dignity".

The power of the great industrial combines, controlled by a few wealthy families, has been broken, and the educational system is

being liberalized and modernized in accordance with the recommendations of the Education Mission which the United States sent to Japan in the spring of 1946 and the subsequent policy decisions of the Far Eastern Commission. The peaceful development of the Japanese economy has been encouraged and the revival of its foreign trade has been stimulated by the formation of an Inter-Allied Trade Board for Japan in October 1946.

The major Allies agreed at Yalta that the Soviet Union should recover southern Sakhalin, including adjacent islands, and that the Kurile Islands should be handed over to the Soviet Union. An agreement was later reached regarding emergency reparations in kind to countries victims of Japanese aggression, but other basic terms of the settlement with Japan are yet to be made.

In July 1947 the United States proposed to the other 10 states represented on the Far Eastern Commission that it would be desirable to hold a conference as soon as practicable to discuss a peace treaty for Japan. It was suggested that the decisions of the proposed conference should be made by a two-thirds majority. All governments represented on the Commission, with the exception of that of the Soviet Union, promptly expressed their approval of the proposed eleven-power conference, although the tentative date suggested by the United States for such a conference was found to be generally inconvenient. The Soviet Union opposed the proposal and insisted that the preliminary conference should be limited to the United States, Great Britain, the Soviet Union, and China.

AUSTRIA

A "free and independent" Austria was proclaimed as a goal of the United States, Great Britain, and the Soviet Union at the Moscow Conference of October–November 1943. With the Nazi collapse in the spring of 1945 speedy action was taken to achieve this goal, which was supported by France and the other United Nations. Although the country was divided into four zones of occupation, it proved possible before the end of 1945 to establish a

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representative Austrian government based on free elections. In accordance with the desires of the Allied Council at Vienna the new government promptly instituted programs of educational reform and denazification. By June 1946 the stability and cooperativeness of the Austrian government were sufficiently assured to permit the Allied Council to relax very considerably its previously rigid control over Austrian legislation.

The United States resumed normal diplomatic relations with Austria in September 1946 and has consistently urged the prompt conclusion of a general treaty with Austria which would formally recognize Austria's position in the community of nations and would permit the speedy withdrawal of Allied troops from Austrian territory. While this policy is supported by the United Kingdom and France, the Soviet Union has raised certain objections for which mutually agreeable solutions have not as yet been found. The Soviet Union has supported the claims of Yugoslavia to southern Carinthia and a small portion of Styria. The Soviet Union also insists that it is entitled by the Potsdam agreement to all "German" assets within eastern Austria, irrespective of the fact that many of those assets were acquired by the Nazis through duress and, in the opinion of the other three occupying powers, should be restored to their original owners. In the treaty negotiations the Soviet Union has consistently refused to accept the proposals of the United States, the United Kingdom, and France by which German assets transferred as reparations would be subject in all respects to Austrian law. For its part, the United States Government has publicly expressed its willingness to enter into negotiations looking toward the renunciation of its share in German assets in Austria as part of a general settlement of this question.

After this problem had been thoroughly explored at the Moscow Conference of Foreign Ministers in March-April 1947, Secretary Marshall indicated that the acceptance of the Soviet position would render dubious Austria's chances of surviving as an independent, self-supporting state and expressed the opinion that the United States "could not commit itself to a treaty which involved such

manifest injustices" and which would create "an Austria so weak and helpless as to be the source of great danger in the future". A Four Power Commission was then set up in Vienna to study the matter further. In August 1947 the American representative was recalled to the United States for consultation. Upon his departure from Vienna he issued a statement indicating that the United States Government was deeply concerned over: (1) the "Soviet unilateral action in seizing properties falling within categories agreed upon for discussion within the Commission"; (2) the general failure of the Soviet Delegation to collaborate, as evidenced by its "indifference toward the factual material presented to the Commission by other delegations"; and (3) the Soviet insistence on reparations from Austrians and others as shown by the Soviet "demand for assets in amounts and in forms other than those validly held by Germany". It is the hope of the United States Government that the successful outcome of these negotiations will make possible the removal of occupation troops from Austrian territory.

The United States has instituted a relief program for Austria which provided for the shipment of approximately \$43,000,000 in urgently needed supplies during the period from June through September 1947 and contemplates further shipments to relieve the distress of the Austrian people.

KOREA

President Roosevelt, Prime Minister Churchill, and Generalissimo Chiang Kai-shek, meeting at Cairo in November 1943, indicated their determination that "in due course Korea shall become free and independent". This pledge was reaffirmed in the Potsdam Declaration of 1945 and was subscribed to by the Soviet Union when it entered the war against Japan. Korean political identity, however, had been obliterated by the Japanese ever since the annexation of 1910. Accordingly, with the collapse of Japanese resistance in August 1945 American troops occupied the southern part of Korea and Soviet forces moved into the northern part. This situation remains in effect today.

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The Moscow Conference of December 1945 proposed the establishment of an American-Soviet Joint Commission for Korea in order to consult with Korean leaders for the purpose of establishing a provisional Korean government and to work out proposals for a four-power trusteeship for Korea for a period not to exceed five years. What has actually happened in Korea was succinctly explained by Secretary Marshall to the General Assembly of the United Nations on September 17, 1947:

For about two years the United States Government has been trying to reach agreement with the Soviet Government, through the Joint Commission and otherwise, on methods of implementing the Moscow agreement and thus bringing about the independence of Korea. The United States representatives have insisted that any settlement of the Korean problem must in no way infringe the fundamental democratic right of freedom of opinion. That is still the position of my Government. Today the independence of Korea is no further advanced than it was two years ago. Korea remains divided at the 38th parallel with Soviet forces in the industrial north and United States forces in the agricultural south. There is little or no exchange of goods or services between the two zones. Korea's economy is thus crippled.

The Korean people, not former enemies, but a people liberated from 40 years of Japanese oppression, are still not free. This situation must not be allowed to continue indefinitely. In an effort to make progress the United States Government recently made certain proposals designed to achieve the purposes of the Moscow agreement and requested the powers adhering to that agreement to join in discussion of these proposals. China and the United Kingdom agreed to this procedure. The Soviet Government did not. Furthermore, the United States and Soviet Delegations to the Joint Commission have not even been able to agree on a joint report on the status of their deliberations. It appears evident that further attempts to solve the Korean problem by means of bilateral negotiations will only serve to delay the establishment of an independent, united Korea.

Following Secretary Marshall's announcement of the American Government's intention to submit the Korean problem to the United Nations, the Chief Soviet Delegate on the Joint Commission in Korea stated on September 26, 1947, that "it is possible to afford the Koreans an opportunity to form a government by themselves without the aid and participation of the Allies under the

condition of withdrawing the American and Soviet troops from Korea”.

The United States proposal to the United Nations, which was made public on October 17, 1947, indicated that this Government did not consider mere troop withdrawal as an adequate solution of the Korean problem. The American proposal recommended: (1) that the occupying powers hold elections in their respective zones not later than March 31, 1948, under United Nations' observation; (2) that the Korean government thus established constitute its own security forces and arrange for “the early and complete withdrawal” of American and Soviet troops; and (3) that the United Nations discharge its responsibilities in the problem through the establishment of a United Nations Temporary Commission on Korea.

Thus the United States has given concrete expression to Secretary Marshall's desire that there should be no additional delay in furthering “the urgent and rightful claims of the Korean people to independence”.

2. THE UNITED NATIONS

SUPPORT OF THE United Nations is the keystone of American policy for the maintenance of peace and international security. The United Nations is a direct outcome of steps taken in the course of winning the war.

As early as the Atlantic Charter of August 1941, the United States expressed its determination to work for a peace which would provide general security for all peoples of the world. During the wartime conferences of the major powers, such as the Moscow Conference of October 1943, we took the lead in pledging ourselves, along with our Allies, to establish "at the earliest practicable date a general international organization . . . for the maintenance of peace and security". In 1944 our Government was host to Great Britain, the Soviet Union, and China at the Dumbarton Oaks Conversations in Washington, D.C. In these meetings the four powers drafted a series of proposals setting forth the framework of a permanent international organization. This formed the basis of the United Nations Charter, which representatives of 50 nations prepared at the San Francisco Conference in April-June 1945.

The Charter confers "primary responsibility for the maintenance of international peace and security" on the Security Council. It also recognizes that the position of the major powers in the Council should roughly correspond to their responsibilities in carrying out political, economic, or military measures to prevent or bring to an end threats to peace or acts of aggression. Thus, of the 11 nations making up the Council, 5 members—among them the United States—hold permanent seats. In "substantive", as opposed to "procedural", matters that come before the Council, there must be a majority of 7 affirmative votes, with no permanent member voting negatively. By informal agreement a permanent member

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may abstain from voting without having such abstention counted as a veto. The only formal exception to the rule of unanimity occurs when one of these permanent members is a party to a dispute for which a pacific settlement is being sought under the terms of chapter VI of the Charter. In this case, the permanent member must refrain from voting in order to avoid casting a ballot in a matter with which it is directly concerned. In routine or procedural matters, however, the Council functions under a different voting system, in which a majority of any 7 members is controlling.

The United States has been vitally concerned with making the Security Council a more effective instrument of the United Nations, and to that end our representatives have upheld a number of principles:

1. Every state concerned with a matter before the Council has a right to be heard fully and publicly. Thus, even countries which do not belong to the United Nations have been invited to participate in the debates of the Council, when they were involved in the case under consideration.

2. The Council should have full access to the facts of a dispute and should therefore conduct an investigation or inquiry whenever necessary. A notable example of this was the Balkan Commission, which was instructed to investigate the Greek charges against Yugoslavia, Bulgaria, and Albania. Throughout the on-the-spot inquiry conducted by this Commission the American representatives did everything in their power to assure a thorough investigation of the facts of the case.

3. The responsibility of the Security Council to settle a dispute goes beyond the interests of the parties themselves, for once a case is before the Council not even the states directly concerned may withdraw it without this body's approval. This view was enunciated during the Iranian case, when Secretary of State Byrnes affirmed the right of the Council to continue to deal with the dispute, even though both the U. S. S. R. and Iran expressed their willingness to withdraw the case from the Council's agenda.

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The United States endorses the principle that the five permanent members shall be in agreement before the Security Council may take enforcement action regarding threats to peace, breaches of peace, or acts of aggression as defined in chapter VII of the Charter. At the same time, this requirement carries with it the obligation to make every effort to reach unanimous accord on important problems. Even though a negative vote by a permanent member can prevent an action that is inconsistent with its vital security interests, such a veto should be used sparingly and not in contradiction with the fundamental obligation to maintain peace and international security. As the Secretary of State recently declared (September 17, 1947), “. . . restraint is an essential companion of power and privilege”, and “The United Nations will never endure if there is insistence on privilege to the point of frustration of the collective will.”

In order that the exercise of the veto should not paralyze the activities of the Council we have sought to increase the number of matters which may be settled without the unanimous agreement of the five permanent members. In the first place, a liberal interpretation should be placed upon what is considered to be a procedural question. Secondly, even on substantive questions, abstention on the part of a permanent member should not be regarded as a veto which would defeat the Council's decision. Thirdly, that part of article 27 which states that parties to a dispute must refrain from voting in matters involving peaceful settlement should be so construed as to prevent any nation from acting as a judge in its own cause. Finally, in recognition of the fact that an excessive use of the veto has prevented the Security Council from fulfilling its true function, we have announced our willingness to accept the elimination of the unanimity requirement with respect to applications for membership and matters arising under chapter VI, which deals with peaceful settlement of disputes.

The Security Council must be provided with the necessary armed forces and facilities to maintain international security if the United Nations is to exercise its authority to maintain peace. During the discussions of the Military Staff Committee, which was en-

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trusted with working out plans for this purpose, the United States has urged, in accordance with the Charter, the immediate preparation of agreements which will insure adequate armed forces to the Council in case of a breach of the peace or an act of aggression.

The General Assembly, which serves as a forum for the discussion of any question within the scope of the Charter, considers and makes recommendations to promote international cooperation in political, economic, and social fields. Although article 12 of the Charter forbids the General Assembly to make recommendations on any dispute or situation under active consideration by the Security Council, the United States Government has felt that this provision was not intended to deprive the Assembly of its right to consider important political problems. During the past year the Assembly has undertaken to review such significant political questions as those relating to the Franco regime in Spain and the future of Palestine. In the latter case we approved the appointment of an investigatory commission to survey the situation in Palestine, and we have supported the efforts of the Assembly to reach a fair settlement of this explosive issue. Recently, the United States has also requested the Assembly to discuss the threats to the integrity of Greece that have arisen during the past year, as well as the question of the early establishment of the independence of Korea.

Since the United States is looking more and more to the General Assembly as the forum in which the moral and political forces of the world must be brought to bear upon international disagreements, our Government has urged that the Assembly create an interim committee on peace and security. Although this group would not impinge upon the functions of the Security Council, it would consider situations and disputes impairing friendly international relations. This "Little Assembly" would: (1) consider problems of peace and security and report to the General Assembly; (2) keep watch on those recommendations which call for continuing attention; and (3) conduct long-range studies on international cooperation. Such a committee would "strengthen

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the machinery for peaceful settlement and place the responsibility for such settlement broadly upon all the Members of the United Nations".¹

The Economic and Social Council, as the organ of the General Assembly to promote economic, social, and humanitarian objectives of the United Nations, has undertaken such diverse activities as drafting an International Bill of Human Rights, controlling the international flow of narcotics, aiding in the economic reconstruction of Europe, and a large number of other important projects. In each of these the United States has taken part in accordance with the aim of the Charter to create the "conditions of stability and well-being which are necessary for peaceful and friendly relations among nations". In a similar fashion, we are aiding in the development of the non-self-governing territories of the world through the efforts of the Trusteeship Council, and in accordance with our policies toward dependent peoples we have also taken a leading part in the work of this Council.²

In fostering the economic, social, and humanitarian principles of the United Nations, the United States has sponsored many projects on the part of the Specialized Agencies. In bringing relief to the war-torn countries, the United Nations Relief and Rehabilitation Administration obtained approximately 73 per cent of its support from this country. In seeking to aid refugees, the International Refugee Organization, now taking shape, has received the full cooperation of the United States. In providing for long-range currency stabilization and economic reconstruction, the International Monetary Fund and International Bank have drawn heavily on the dollar deposits of this country. Furthermore, the International Labor Organization, in improving working conditions, the Food and Agriculture Organization, in increasing food supplies, the World Health Organization, in fostering healthier living conditions, and the United Nations Educational,

¹From address by Secretary Marshall, delivered before the General Assembly of the United Nations on Sept. 17, 1947.

²See discussion of the policy of the United States toward dependent areas, p. 36.

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Scientific and Cultural Organization, in aiding mutual understanding, have all received the wholehearted support of our Government.

The United Nations is not a super-state which can immediately establish peace and prosperity throughout the world. What the United Nations can accomplish is indicated by the statement of Herschel V. Johnson, our Representative on the Security Council, when, on June 21, 1947, he affirmed that "The United Nations gives an opportunity of clarifying the issues of war and peace in the early stages and forming that front of resistance when it can count for peace rather than when it must be thrown into a war of survival". We know that the United Nations must be supplemented by the earnest efforts of each country to solve its own problems and the sincere willingness of all governments to settle their disputes peaceably. Nevertheless, by extending the benefits and restraints of the rule of law to all peoples, the United Nations can aid materially in resolving current problems and in preventing serious conflicts in the future.

3. SUPPORT OF FREE NATIONS

OWING LARGELY to the circumstances of their own origin as an independent nation, the people of the United States, from the beginning of their history, have sympathized with other nations and peoples struggling to attain, regain, or maintain their freedom and independence. In June 1944, Secretary of State Hull said of our policy: "We have for 150 years preached liberty to all the nations of the earth, to all the peoples of the earth, and we have practiced it. We have encouraged all nations to aspire to liberty, and to enjoy it. . . . That has been our consistent record, a record of championship of liberty for everybody, encouraging them at all times and in all places".

George Washington, referring in January 1796 to his own career in defense of freedom, said: "My anxious recollections, my sympathick feelings, and my best wishes are irresistibly excited, whensoever, in any country, I see an oppressed nation unfurl the banner of freedom". This sentiment, frequently expressed by leading American statesmen, throughout the succeeding century and a half, found expression in the Atlantic Charter of August 1941, which proclaimed that the countries to be liberated from the Axis aggressors should have their independence restored to them. The sentiment was expressed as a policy by President Truman, in October 1945, when he pointed out that in the American view "all peoples who are prepared for self-government should be permitted to choose their own form of government", and added, "That is true in Europe, in Asia, in Africa, as well as in the Western Hemisphere".

As regards the New World, Secretary of State Marshall, in June 1947, summarized the developments of more than a century by saying, "It is the traditional policy of the United States to aid

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the nations of the Western Hemisphere to maintain their independence". Our support consisted at first in recognizing the independence of the new countries. Later, when there seemed to be a danger that some European countries might seek either to crush the new and still weak countries or to establish colonies in the New World which they might use as a springboard for aggressive action, the United States proclaimed the Monroe Doctrine, with the primary purpose of preventing such disasters.

Respecting the Far East, we announced at the turn of the century our support of the independence and territorial integrity of China as well as of the Open Door or equality of trading rights. We have repeatedly reaffirmed this support of China's independence, including our statements of peace aims during World War II. In the Cairo Declaration of December 1943 President Roosevelt, Prime Minister Churchill, and Generalissimo Chiang Kai-shek agreed that "all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China". They agreed at the same time that Korea, which was annexed by Japan in 1910, "shall become free and independent". The United States has since consistently supported the restoration of Korea's independence.¹ The granting of independence to the Philippines by the United States was a striking illustration of the application in the Far East of the principle of self-determination.

In view of the important role of the United States in winning the war against the Axis aggressors, this Nation was interested in restoring freedom and independence to all the European countries that were deprived of them by force. When the war was drawing to a close in February 1945, President Roosevelt, Prime Minister Churchill, and Marshal Stalin, meeting at Yalta in the Crimea, issued a joint declaration stating that "the three governments will jointly assist the people in any European liberated state or former Axis satellite state in Europe where in their judgment conditions require . . . to form interim governmental au-

¹ For further details on our Korean policy, see p. 11.

thorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsive to the will of the people; and . . . to facilitate where necessary the holding of such elections”.

The United States has not only maintained and supported the view that free governments cannot exist without free elections but also that governments can remain free only if there remain in effect the democratic freedoms of the press, speech, religion, association, and assembly, and freedom from intimidation, use of force, and unwarranted arrests.

The United States has regarded the Yalta agreement from the first as a solemn, binding international agreement. Pledges to hold free elections were given by the present Governments of Poland, Rumania, Bulgaria, and Yugoslavia, but unfortunately those Governments have violated their pledges. In Hungary, a democratic government chosen in a free election in November 1945 was overthrown in June 1947 by a Communist minority. The fundamental freedoms are seriously impaired in all those countries. Poland, Rumania, Bulgaria, and Hungary were liberated by Soviet troops, and the governments formed in those countries before or shortly after liberation have been dominated by the Soviet Union since their inception. Since the conclusion of the Yalta agreement, and others that followed it, the United States has repeatedly protested the failure of these new governments to live up to their promises.

In accordance with the provisions of the peace treaties, occupation forces are to be withdrawn within 90 days from the effective date of the treaties—September 16, 1947—but Soviet forces may remain in Rumania and Hungary for the purpose of maintaining lines of communication with the Soviet zone in Austria.

American determination to help independent countries to maintain their independence is also illustrated by the moral support which this country has given in the past several years to certain Near Eastern countries, namely, Syria, Lebanon, Iran, and Turkey.

When the Soviet Union failed to withdraw its troops from Iran

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in January 1946, in accordance with a pledge made previously by the Soviet Government, the United States urged that the Soviet Union honor its agreement. Soviet troops left Iran in May 1946. The United States supported the case of Iran before the United Nations.

Moral support of a similar character was given by the United States to Turkey. According to an international agreement concluded in 1936, Turkey is responsible for the defense of the Straits, the link between the Black Sea and the Mediterranean. In the summer of 1946, the Soviet Union requested Turkey's consent to an agreement whereby both powers would become jointly responsible for the guardianship of this vital waterway. Turkey contended that acceptance of the proposal would undermine its independence. The United States promptly advised the Soviet Union and Turkey that the matter of the Straits must be settled by an international agreement but that until such an agreement was concluded there should be no change in the status of the Straits.

American self-interest is intimately involved in the preservation of free governments everywhere. America has a vital stake in freedom, peace, and security throughout the world. Attacks on free and independent peoples signalled the start of World War II. Totalitarian governments, dominated by small minorities which had seized power by extinguishing fundamental democratic rights, were responsible for plunging the world into chaos.

The bitter experience of World War II reinforced our resolve to extend assistance to countries whose independence is endangered through pressure and threats of aggression. Greece and Turkey have been receiving such aid since May 1947. President Truman told Congress in March 1947: "I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures. . . . totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States".

The United States is also keenly aware that free governments and democratic institutions cannot thrive where poverty and dis-

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trass are rampant and that political stability becomes precarious where economic conditions deteriorate. The American Government has therefore proposed to extend economic aid to the nations that are willing to help themselves. The close connection between economic welfare and the preservation of free institutions was emphasized by Secretary Marshall on August 15, 1947, when he stated: "Americans want a prosperous world. . . . Americans want a free world. We want the people of every nation to be free to choose the form of government and economic organization which they desire. We know that hunger and insecurity are the worst enemies of freedom and democracy. . . . Wars are bred by poverty and oppression. Continued peace is possible only in a relatively free and prosperous world".

4. EUROPEAN RECOVERY

THE ECONOMY OF Europe is suffering from the paralyzing effects of six years of war. The economic dislocations were more severe than was at first realized, and European economic recovery will be a long and difficult task. Furthermore, unless the war-devastated nations regain economic health, the peace of the world and the other goals of American foreign policy may be seriously threatened. Not only is an economically healthy world likely to be a peaceful world but tolerable standards of living are the minimum essential for the survival or growth of those democratic institutions which it is our policy to protect and foster.

Speaking before the Canadian Parliament on June 9, 1947, President Truman said:

Free men everywhere know that the purpose of the United States is to restore the world to health and to re-establish conditions in which the common people of the earth can work out their salvation by their own efforts.

We intend to expend our energies and invest our substance in promoting world recovery by assisting those who are able and willing to make their maximum contribution to the same cause.

Our efforts to facilitate Europe's recovery began even while the war was in progress. We played a leading role in establishing the United Nations Relief and Rehabilitation Administration (UNRRA), which was designed to supply the immediate relief needs of the war-devastated countries. To facilitate long-range economic recovery, we sponsored such agencies as the Food and Agriculture Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund, each of which was part of the program to revive and expand the world's economy after the war.

When hostilities ended, the long-term program had to be supplemented with concrete and immediate provisions for aid. We

loaned \$3,375,000,000 to Great Britain, and Congress authorized the Export-Import Bank to lend \$2,800,000,000 for reconstruction purposes, the greater part of which was loaned to European countries. In 1947 we appropriated \$400,000,000 for aid to Greece and Turkey and \$332,000,000 for relief, most of which is for European countries. Including surplus-property credits and other forms of assistance, we had loaned or granted by July 1, 1947, nearly eleven billion dollars' worth of aid to European countries since the fighting ended.

In addition, we have led the attack on Europe's fuel and transportation bottlenecks by promoting and actively participating in the European Coal Organization and the European Central Inland Transport Organization. We were active in promoting the establishment under the United Nations of the Economic Commission for Europe as a means for coordinating these and other efforts. The United States has also recognized the great importance of Germany to the success of any program for European recovery, while insisting on the maintenance of adequate guarantees against the danger of a resurgence of German aggression. Secretary Marshall stated the American policy during the Conference of Foreign Ministers at Moscow in 1947: "The United States is opposed to policies which will continue Germany as a congested slum or an economic poorhouse in the center of Europe. . . . we want Germany to use its resources of skilled manpower, energy, and industrial capacity to rebuild the network of trade on which European prosperity depends . . . "

Our aid thus far has had good results. American contributions to direct relief over the past two years have done much to alleviate hunger and extreme hardship. Our aid has brought about recovery in industrial production in certain European countries. This improvement has done much to stave off the spread of totalitarian governments, which use economic deterioration as a means of gaining power.

Europe's recovery, however, is far from complete. As among nations and individual industries, recovery has been very unequal, and Europe as a whole is today far from able to pay its own way

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in the world. The European continent is not now able to produce enough to satisfy its own needs and to provide the exports with which it must purchase certain vitally needed imports. Thus, victory in the battle for European recovery still hangs in the balance, and the outcome is made all the more critical by the fact that, if the battle is lost, a breeding ground will exist for the growth of totalitarian governments.

On June 5, 1947, Secretary Marshall called for a fresh approach to the whole problem of European recovery.

First, the Secretary urged that our future reconstruction aid be fitted into a well-integrated plan which would make the European nations self-supporting. He emphasized that our aid should be more than an endless series of stop-gap measures designed to deal with increasingly frequent crises. "Any assistance that this Government may render in the future should provide a cure rather than a mere palliative."¹ In order that United States aid be assured of maximum effectiveness, the Secretary made it clear that each European nation should expect to contribute fully in accordance with its ability. The assistance of the United States, therefore, would be contingent not only upon self-help but also upon mutual help among the states of Europe.

Secondly, Secretary Marshall maintained that the initiative for drawing up the plan for European recovery should be left entirely to the Europeans. He asserted that the United States did not intend to dictate the pattern of recovery as a price for providing aid. Once the European nations evolved a plan, our Government would give it thorough study in order to determine what the United States could do to aid in European recovery.

Thirdly, the Secretary made it clear that the United States would welcome the participation of all European countries in the program. He added, however, that "governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States."¹

¹ Remarks at Harvard University, June 5, 1947.

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Finally, our primary purpose was to see that the European nations should work out a program which would not only bring about economic recovery, but would also make the European economy self-supporting. As the Under Secretary of State, Mr. Acheson, said on May 8, 1947, “. . . until the various countries of the world get on their feet and become self-supporting there can be no political or economic stability in the world and no lasting peace or prosperity for any of us”.

There was a prompt response to Secretary Marshall's proposal. The Foreign Ministers of Great Britain and France took the initiative and invited the Soviet Foreign Minister, Mr. Molotov, to a preliminary meeting on June 27. The Foreign Ministers conferred for a week. At the end of this time the Soviet Government announced that it was unwilling to participate in the plan on the ground that it would interfere with the internal sovereignty of the participating countries. Despite the Soviet Union's opposition, the British and French Governments invited all the nations of Europe to attend a conference for European recovery. Sixteen nations accepted. The Soviet Union and other countries of eastern Europe refused to attend.

After conferring for over two months, the 16 nations announced on September 22 their initial report on a European recovery program. The European nations undertook to do three things: (1) to make every effort to increase their national production; (2) to do everything possible to combat inflation and to create internal financial stability; and (3) to cooperate with each other in efforts to free the movement of goods within Europe and to increase the output of vitally needed resources. The European nations estimated that they would require \$22,000,000,000 to finance dollar imports of food, fuel, raw materials, and capital equipment during the next four years. It was expected that part of these funds could be financed by the International Bank and by private investment, but the European countries calculated that their minimum deficit for needs which could not be financed from these sources would be \$19,000,000,000. This amount was needed to purchase supplies

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from the United States and from other countries which would require payment in dollars.

While the 16 nations have been conferring in Europe, committees of government experts and leading private citizens have made detailed studies of America's capacity to aid Europe. The aim of these studies is to determine how much the United States can safely contribute to European recovery without endangering its own economy.

Various factors have combined to make it increasingly apparent that the European Recovery Program would have to be supplemented by immediate emergency aid during the coming months. The intense cold of the winter of 1946-47 and the crop-killing droughts of the past summer have accelerated the economic deterioration of Europe, particularly in regard to food. The need for long study of the over-all program has made it appear unwise to set the program in operation too hastily. Finally, the loans and grants supplied during 1945 and 1946 were nearly depleted during the autumn of 1947 as a source of supply for the European nations. Consequently, Secretary Marshall recently announced the need for some form of interim assistance to meet the threat of intolerable hunger and cold until the long-range plans for European recovery can become fully effective.

The future course of our reconstruction program was summarized by the Secretary as he outlined what the American people expected in return for their generous contribution to world recovery. "They emphatically demand that whatever they contribute shall be effectively used for the purpose for which it was intended; that it should not be expended to serve selfish economic or political interests; and that it should be employed specifically to assist in economic rehabilitation; finally, that it should serve a great purpose in restoring hope and confidence among the people concerned that the world will know peace and security in the future."¹

¹ Remarks before the Women's National Press Club, July 1, 1947.

5. INTERNATIONAL ECONOMIC POLICY

EVENTS DURING THE past few decades have shown increasingly how our own domestic prosperity is tied in with the prosperity of the whole world. We cannot separate our domestic and our foreign affairs. If we want a prosperous America, we must have a prosperous world; and a sound world economy can never become a reality so long as there are discriminations and excessive barriers which can block the flow of goods among nations.

TRADE POLICY

The depression of the 1930's and the impact of World War II gave rise to a complex maze of trade barriers. Quotas, for example, arbitrarily limit the amount of goods which can enter or leave a country, and exchange controls similarly limit the amount of money which can enter or leave a country. Preferential tariffs discriminate by imposing lower duties on imports from certain favored countries. Red tape can so encumber the entire process of importing or exporting that it stifles all incentive to trade. Export subsidies are sometimes paid by a government to force certain goods on the international market. State-owned industries, because political motivations sometimes color ordinary business considerations, tend to interfere arbitrarily with trade. Private monopolies and cartels may hold up prices artificially and divide the markets of the world arbitrarily. Through the misuse of intergovernmental commodity agreements, producer nations can exploit consumer nations. Through purely domestic policies, governments may also adversely affect international trade. For example, a country may make short-sighted efforts to compensate for a temporary surplus of goods by cutting down the consumption

of foreign goods. A policy of increasing barriers tends always to lead to retaliatory measures by other countries.

Against all these forces which militate against the normal development of international trade, the United States has directed a many-pronged attack. Our most comprehensive effort has been the International Trade Organization. The Ito provides the means for eliminating or reducing the governmental barriers to world trade. Of major importance are the rules which limit or prohibit the use of quotas and other devices to restrict the volume of goods which can be imported or exported. The charter of the Ito also provides for negotiations leading to the reduction of excessively high tariffs and for the eventual elimination of preferential tariff systems. The Ito will also insure that commodity agreements are used only for their legitimate purpose—the orderly disposal of world surpluses—and not for the exploitation of consumer nations. The charter of the Ito contains provisions which are aimed at curbing the restrictive business practices of private monopolies and cartels. It also provides for the economic development of less-advanced nations and contains safeguards to prevent depressions from spreading from one country to another.

The United States is also making use of other methods for facilitating the international movement of goods. Treaties of friendship, commerce, and navigation, which have been the traditional basis of our economic relations with other countries, seek to guarantee American businessmen the same rights enjoyed by other businessmen engaged in foreign trade. The United States Government has recently been discussing commercial treaties with over twenty nations as an important part of the program to provide a stable, nondiscriminatory basis for international economic relations.

Reciprocal trade agreements constitute a direct attack on trade barriers. Under existing trade-agreement legislation, we negotiate with a particular country for the purpose of reducing our tariffs on certain goods that we get from it, and that country, in return, reduces the tariff on goods which we supply to it. Our trade-agreement legislation provides that, when we reduce our

tariff on a given product from one country, we automatically offer that same reduced rate to all other countries which do not discriminate against the trade of the United States. We have recently been carrying on trade-agreement negotiations with 18 different countries.

FINANCIAL POLICY

Just as our trade policy seeks to overcome the obstacles which impede the flow of goods among nations, our financial policy aims at liberating the flow of money and capital among nations. Financial and exchange controls can be as effective as tariffs and quotas in stifling both trade and investment. Hence, we cannot hope for beneficial results from our trade policy unless we back it up with the right kind of financial policy.

Our financial policy deals with the problem of payment for goods and services moving between countries. Broadly speaking, we seek two fundamental objectives: freedom and stability. By freedom is meant the ability of an importer to go to a bank or other foreign-exchange dealer and to obtain without difficulty the foreign currency necessary to pay for imported goods. Such freedom is in sharp contrast with the rigid systems of exchange control prevalent in many countries today, under which foreign money is obtainable only in amounts and for purposes approved by a governmental authority. The United States opposes exchange controls in principle because they interfere with the free operation of business transactions, promote unsound bilateral arrangements between countries, and in many cases encourage discrimination and corrupt practices.

We have recognized, however, that countries cannot do away with exchange controls overnight if they are extremely short of foreign currency and if their trade is geared to a system of exchange controls. We also recognize that, if controls are eliminated too suddenly, the result might be violent fluctuations in exchange rates.

The avoidance of such fluctuations in the value of currencies is the second objective of our financial policy. If international trade

is to flourish, the values of currencies must remain stable over long periods of time. It is not necessary or even desirable that these relationships be absolutely fixed and rigid, but importers and exporters should be able to have confidence in the value of currencies and to make their plans accordingly.

The combination of reasonably stable exchange rates and reasonable freedom of exchange transactions can be accomplished only within the framework of a fundamentally sound and healthy world economy. That is why the achievement of our financial objectives will come about only gradually. An important step in the direction of world financial stability was the creation of the International Monetary Fund. The chief purpose of the Fund is to assist countries to overcome temporary difficulties in their balances of payments. It is unreasonable to expect that the Fund by itself can restore financial stability to a war-disrupted world. International financial stability along the lines desired by the United States will be fully realized only when the nations of the world have restored their productive capacity, placed their internal finances in order, and resumed normal trade relations. Our program for the economic reconstruction of the war-torn countries of Europe should do much to hasten the accomplishment of these objectives.

International trade, if it is to contribute to general economic prosperity, will first need to be revived through loans to the war-devastated and economically backward countries. The United States Government believes private capital to be the best ultimate source for international investment, but troubled conditions prevent private sources from assuming this role. During the past two years, the United States Government has itself been the principal supplier of funds through loans by the Export-Import Bank and through direct loans, such as that to Great Britain. But we have also sought an international solution through the International Bank for Reconstruction and Development. The International Bank seeks to promote the rebuilding and development of the war-damaged and economically backward countries of the world. The Bank will guarantee private loans to other countries,

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or, when private capital is not available, will lend its own funds or funds specially raised for the purpose. Our role in the Bank's operations is vital, for both the private loans and the greater part of the funds specially raised must come from the United States during the early years of the Bank's operations, since the other countries do not have the resources at present.

TRANSPORT AND COMMUNICATIONS POLICY

It is not only important to reduce the barriers which obstruct the flow of international trade; it is equally important to have adequate means for transporting goods and persons and for communicating ideas. Our policy toward transportation and communications is based upon the same broad principles as our trade policy. We seek to reduce artificial restraints and to promote a balanced expansion. There are, however, special factors in international civil aviation, shipping, and telecommunications which sometimes make it necessary for us to modify our over-all policy as it applies to these fields. Civil aviation is a relatively new and undeveloped field. Although we are, on the one hand, seeking a multilateral solution through the International Civil Aviation Organization, we have found it desirable to open up the world's air routes on a slow but sure basis through bilateral aviation agreements.

There is no lack of precedent for our policy in the field of international shipping. Our treaties of friendship, commerce, and navigation have long since established the doctrine of freedom of navigation which is the core of our policy. However, to maintain an adequate merchant marine, which is so essential to the national defense and to the commerce of this country, it is necessary for the Government to give assistance to the shipping and shipbuilding industries to aid in overcoming higher American labor and other costs.

Finally, the technical peculiarities of telecommunications require special policies in that field. Policy toward radio is naturally affected by the limited availability of frequencies, which must be

assigned to many users in all countries. If chaos of the air waves is to be avoided, an exceptionally high degree of international cooperation is vital to secure an equitable distribution of frequencies among users.

Although, as we have seen, there are several distinct economic policies and programs, each is indispensable to the other, and all are indispensable to the ultimate goal of national and world-wide prosperity. Our trade policy seeks to break down governmental, intergovernmental, and private barriers to the flow of goods among nations. Our financial and monetary policy seeks to insure adequate money and loans to facilitate the flow of international trade. Furthermore, our policy seeks to promote the adequate development of transportation and communication facilities and to insure their equitable use.

The United States cannot avoid the role of leadership. "We are the giant of the economic world. Whether we like it or not, the future pattern of economic relations depends upon us."¹

¹ Address by President Truman at Baylor University, Waco, Tex., on Mar. 6, 1947.

6. DEPENDENT AREAS

THE PRINCIPLE that certain territories whose inhabitants do not enjoy self-government should become an international responsibility began to take shape in American policy during World War I and crystallized further during World War II. President Wilson, in 1918, urged that peoples and provinces should not be “bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game . . . but every territorial settlement involved in this war must be made in the interest and for the benefit of the populations concerned”.

This principle found expression in the provisions for mandates in the World War I peace settlements. Today it is expressed broadly by international arrangements embodying the idea of “trusteeship”.

After World War I, the victorious powers placed under national administration with international supervision some of the dependent areas in Asia, Africa, and the Pacific which had come into their possession as a result of the war. The powers to whom these territories were allocated as “mandates” were accountable to the League of Nations for their administration. Several of the mandated territories have since become independent countries, as, for example, Iraq, Syria, and Lebanon.

After hostilities ceased in World War II, three major problems faced the victor nations in connection with dependent areas and their populations. First: What should become of mandated territories, since the League of Nations no longer existed? Secondly: Who should administer the dependent areas which had been under Italian and Japanese rule? Thirdly: Should provision be made for dependent territories which had never been placed under international supervision to be brought voluntarily within the trusteeship system?

DEPENDENT AREAS

This country believes that peoples who have not yet attained to self-government should be assisted by those who have, and they should be granted an increasing measure of participation in government until they are prepared freely to choose their destiny in accordance with the particular circumstances of each territory. The Atlantic Charter of August 14, 1941, initiated by the United States, declares that the American and British Governments "respect the right of all peoples to choose the form of government under which they will live".

These views are reflected in the Charter of the United Nations, which incorporates four basic principles regarding non-self-governing territories. The nations assuming responsibility for such territories, first of all, "recognize the principle that the interests of the inhabitants of these territories are paramount" and accept as a sacred trust the obligation to promote to the utmost the well-being of the people placed in their care. Secondly, they obligate themselves to treat the inhabitants justly and to foster their political, economic, social, and cultural progress. Thirdly, they agree to help in the development of democratic political institutions. Finally, they are to submit to the United Nations annually accounts of, or reports on, their activities in the territories in their charge.

The Charter provides further that three types of dependent areas are eligible to be placed under "trusteeship", that is, assigned for caretaking purposes to "administering authorities". These three types are: (1) former mandates of the League of Nations; (2) territories ceded by the defeated powers, such as Italy and Japan; and (3) areas which members of the United Nations may voluntarily place under the care of the United Nations.

All the former mandated territories referred to in the Charter have now been placed under trusteeship, in accordance with agreements approved by the United Nations General Assembly or Security Council, except (1) Palestine, the status of which is to be determined; (2) Transjordan, which has been set up by the mandatory power (the United Kingdom) as an independent state; (3) South-West Africa, as to which the General Assembly of the United

Nations has adopted a resolution proposed by the United States and other countries rejecting the Union of South Africa's proposal to annex it and inviting that Government to submit a trusteeship agreement; and (4) Nauru, for which Australia has submitted a trusteeship agreement to the second session of the General Assembly.

The second category of territories eligible for trusteeship includes the former Italian colonies in Africa and the islands formerly held by Japan as possessions or as mandates. Under the treaty of peace with Italy, the status of that country's former colonies will be determined, prior to September 15, 1948, by the United States, the United Kingdom, the Soviet Union, and France, or, if they cannot agree, by the General Assembly of the United Nations. As to the Japanese islands, President Truman announced on November 6, 1946, that "The United States is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese Islands for which it assumes responsibilities as a result of the second World War". These islands were occupied by American forces during the war.

The American Government feels that its responsibilities for security, defense, and the preservation of peace in the Pacific require that the former Japanese mandated islands shall be administered as a "strategic area", that is, one in which the administering authority may for security reasons close certain specified areas, among other things, to inspection and report. The trusteeship agreement submitted by the United States covering the administration of these islands as a strategic area was approved on April 2, 1947, by the Security Council of the United Nations, in accordance with the Charter, and, upon approval by Congress on July 18, 1947, is now in operation. The United States has taken up its obligation under the Charter to promote the development of the inhabitants, so far as practicable, toward self-government or independence.

Non-self-governing areas which are not under United Nations trusteeship are located in every ocean and on every continent:

DEPENDENT AREAS

Greenland, the Danish possession in the Atlantic; Easter Island, a Chilean colony in the Pacific; the French island of Madagascar in the Indian Ocean; the polar regions in the Arctic and the Antarctic; Alaska in North America; Netherland~~e~~ Guiana in South America; Belgian Congo in Africa; and some eighty others, comprising a total population of over 270,000,000 people.

Our policy toward all these regions is based upon the principles outlined above. Illustrative of the attitude of the United States toward its own possessions are its action in voluntarily granting independence to the Philippines and the recent act of Congress under which the people of Puerto Rico are permitted to elect their own governor.

But we are also concerned with non-self-governing areas under the jurisdiction of other countries. Dependent areas in Africa, which comprise the greater part of that continent, possess strategic importance and are also sources of important natural products. Some of these areas have been placed, with our Government's concurring vote, under United Nations trusteeship. For the rest, the United States seeks to achieve the purposes set forth in the section of the United Nations Charter on non-self-governing territories, namely, the promotion of the economic, social, and cultural advancement of the populations.

The United States has expressed its satisfaction with the recent arrangements by which India has attained independence and Burma and Ceylon have been set upon the road toward self-government. In the conflicts between elements in Indochina and France, and Indonesia and the Netherlands, it has favored direct negotiations between the local leaders and the European powers concerned with a view to reaching an amicable settlement.

In the Indonesian dispute the United States proposed, and the Security Council of the United Nations approved, the formation of a three-nation committee to extend "the Council's good offices" for peaceful settlement of the controversy. After being appointed to membership on this committee, the United States has played an active role in seeking to resolve the Indonesian problem.

The United States participated in the South Seas Conference of 1947, convened to consider the economic and social advancement of the 2,000,000 people living in the dependent islands of the South Pacific. The South Pacific Commission, which was established as a result of this conference, represents the six powers having dependent territories in this area: the United States, two continental powers (France and the Netherlands), and three members of the British Commonwealth (Australia, New Zealand, and the United Kingdom). As pointed out by the American delegate, this conference was "the first time the administrators of the area have met together with a view to sharing their common experiences and working out the basis for future cooperation". The new Commission, among other things, will encourage and facilitate research in the technical, economic, and social fields, and recommend measures for the development and coordination of services affecting the welfare of the inhabitants. The conference called upon the Commission to give early consideration to a list of specific economic and social projects.

As regards dependent areas in the Americas, the United States in 1940 renewed its earlier expressed disapproval of "any attempt to transfer any geographic region of the Western Hemisphere from one non-American power to another non-American power". In 1942 this country joined with Great Britain in the establishment of a Caribbean Commission, in which, since 1946, France and the Netherlands have also participated, to strengthen social and economic cooperation between the member countries and their territories in the Caribbean area, with a view to raising the social, cultural, and economic level of the peoples in the area.

The status of dependent peoples is now recognized as a world problem of primary importance. "The major governments of the world face few problems as important and as perplexing as those relating to dependent peoples. This Government is committed to the democratic principle that it is for the dependent peoples themselves to decide what their status shall be."¹

¹ President Truman's message to Congress, Jan. 14, 1946.

7. ARMAMENTS AND ATOMIC ENERGY

THE UNITED STATES has traditionally favored the regulation and reduction of armaments. It does not intend, however, to repeat the tragic policy of unilateral and unregulated disarmament followed by this country in the years between World War I and World War II. Because political and economic conditions of international security were absent, disarmament by peaceful nations merely encouraged warlike powers to undertake the conquest of their neighbors. From the experience of those years certain conclusions have been drawn: First, no responsible, peace-loving nation can afford to reduce its armaments unless its political security is adequately assured. Secondly, the regulation and reduction of armaments must be accompanied by safeguards, to protect complying states against violations and evasions on the part of potential aggressors. Finally, unilateral disarmament by the United States would be a menace not only to our own security but to the peace of the world.

Accordingly, it is the policy of the United States to aid in bringing about, through the United Nations, the greatest possible regulation and reduction of armaments consistent with the maintenance of international peace and security.

In seeking to control the weapons of warfare, the United States has been concerned with three main problems. First, since international security could not possibly exist if the Axis nations and their satellites were in a position to threaten the United Nations, our Government seeks the permanent destruction of the Axis war machine by the conclusion of treaties and the undertaking of other measures which will permanently prevent a renewal of aggression. Secondly, in view of the destructive power of atomic energy we have vigorously maintained that immediate priority should be

given to achieving international control of this force and establishing safeguards against its misuse. Thirdly, we wish to give to the Security Council, control over sufficient armed forces and facilities to maintain international peace. As these conditions of general security become more firmly established, we believe that the progressive regulation and reduction of ordinary or "conventional" armaments should be undertaken.

The immediate demilitarization of the ex-enemy states has been accomplished. In the peace treaties with Italy, Bulgaria, Hungary, Rumania, and Finland, rigid limitations have been placed upon permissible armies and armaments. The United States has also proposed that the four major powers join in long-term treaties to guarantee the demilitarization of Germany and Japan.

Since 1945 the United States has pressed for an effective international control of atomic energy. In the autumn of that year the President obtained preliminary agreement from Great Britain, the Soviet Union, and Canada that atomic energy should be put under international control. When the General Assembly of the United Nations met for its first session at London in January 1946, we supported the creation by the Assembly of an Atomic Energy Commission to work out a control plan.

At the first meeting of the Atomic Energy Commission in June 1946, the United States representative presented proposals for the development of a complete program for the control of this force. These proposals centered on three closely related objectives, each of which is considered essential to the satisfactory control of atomic energy. We urged, first, that the United Nations create an International Atomic Development Authority, which would have managerial control or ownership of "all atomic-energy activities potentially dangerous to world security" and would have the power to inspect and license all other atomic activities. The Authority, moreover, would foster the beneficial use of atomic energy. Our Government proposed, secondly, that the Authority should have sufficient power to forestall the illegal use of atomic energy. Since through its research staff this agency would "be the world's leader in the field of atomic knowledge" it would be best qualified to

detect misuse of atomic force. Above all, we believe that every member of the United Nations should have complete assurance that violation of the agreement not to use atomic energy for destructive purposes would not go unpunished. Finally, our Government stated its willingness to dispose of its stock of bombs and reveal its scientific information at an appropriate stage as the elements of effective international control are progressively established.

The representatives of the United States have maintained these principles throughout the deliberations of the Atomic Energy Commission and the Security Council. We have insisted, moreover, that unless the nations can meet the fearful challenge of atomic warfare there is little likelihood of establishing full control over other weapons of war. Consequently, our representatives have pressed for continued consideration of the control of atomic energy by the Commission, with the ultimate hope of preparing a draft treaty for submission to the Security Council.

The overwhelming majority of the members of the Atomic Energy Commission has supported, with only slight modification, the basic principles recommended by the United States and set forth on June 12, 1946, by Mr. Bernard Baruch, the American member. The Soviet Union, however, has argued that atomic weapons should be destroyed at once, in advance of the establishment of adequate safeguards to protect complying states from the hazards of violations. The Soviet doctrine was rejected by a vote of ten to two in the Commission, on the grounds that such an approach would be an inadequate and ineffective solution to the problem of international control of atomic energy. While a majority of the Commission approved the Commission's first report to the Security Council, transmitted on December 31, 1946, the U.S.S.R. and Poland refused to approve the general principles which this document embodied.

During 1947 the Soviet Union persistently criticized the American proposals and refused to admit the nature of the problem as understood by the majority. On the other hand, the Soviet counter-proposals have not provided satisfactory solutions to the key prob-

lems of safeguards, including international control and inspection, and the circumstances in which atomic weapons would be eliminated from national armaments. In the absence of unanimous agreement on these problems, the Atomic Energy Commission may find itself unable to fulfil its responsibility for drafting plans for international control.

The importance which the United States attaches to the control of atomic energy greatly influences its policy toward the regulation and reduction of those weapons which ordinarily are regarded as incapable of mass destruction. We believe that "first things come first" and that atomic energy should be regulated before "conventional armaments". In recognizing that political stability is basic to arms limitation, this country has frequently affirmed its view that such regulation must be synchronized with the progressive evolution of international security. Our Government does not wish to scrap its conventional armaments if such action will contribute to a resurgence of aggression in the world. Moreover, it is the firm intention of the United States to keep sufficient forces at its command to maintain the inherent right of individual or collective self-defense as recognized by article 51 of the Charter.

The United States must also maintain its military capabilities in view of its important responsibilities as a member of the United Nations. The spirit of this commitment was indicated by Senator Austin (April 25, 1947), when he said: "We must maintain our military establishment, not for purposes of domination, but in order to be able to back up our commitments in support of collective security under the United Nations". As an interim measure, we feel an obligation under article 106 to assist in maintaining peace and security until sufficient forces are earmarked for the use of the Security Council to enable it to assume this responsibility. In addition, we have the long-term duty of making available to the Council those armed forces and facilities which will enable the United Nations to take military action if it becomes necessary.

Within the framework of these guiding principles, we have supported the work of the Commission on Conventional Armaments which the Security Council established in February 1947.

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Our representatives on the Commission are guided by the view that regulation of armaments is not an end in itself but that the reduction of armaments must be synchronized with: (1) the evolution of international security, including the successful conclusion of peace treaties with Germany and Japan; (2) the international control of atomic energy; and (3) the requirement that adequate armed forces be made available to the Security Council.

8. THE INTER-AMERICAN SYSTEM

NATURE HAS MARKED the Western Hemisphere as a distinct geographic region. Within this vast area, a common devotion to freedom and a historic apprehension of the encroachment of alien political principles and institutions have furthered the growth of a community of nations. Within this community, the United States, because of its size and wealth of resources, inevitably finds itself exercising a large measure of leadership.

During the Latin American struggle for independence the attitude of the United States was one of sympathy, as reflected by our early recognition of the new states. There was a realization that the freedom of Latin America from European control was in the interests of our own security. This view was stated in the form of a policy, or doctrine, by President Monroe in 1823. For more than a half century thereafter, our official interest in that area was limited largely to those periods when European intervention in the New World was either a threat or an actuality. However, with the mid-century industrialization movement in the United States and the resulting increase in commercial relations, it was inevitable that the two Americas should be brought closer together.

Late in the nineteenth century, the United States began to show an increased inclination toward active cooperation with its neighbors to the south, first in commercial, then in political matters. Between 1889 and 1933 official delegates attended six general International Conferences of American States and at least fifty-six special meetings. These conferences made some contribution to the creation of peace machinery, the expansion of inter-American trade, and the solution of specific minor problems; but for the most part they avoided important political questions and were conducted in an atmosphere of formal amity, sometimes even coolness.

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With the growth of the spirit of Pan American unity and the gradual abandonment (1923-1933) by the United States of the policy of preventive intervention in the Caribbean area, the policy of the Good Neighbor became the basis of our relations with Latin America. Participation in three major inter-American conferences before Pearl Harbor (Montevideo, 1933; Buenos Aires, 1936; Lima, 1938) furnished opportunities for the United States to give concrete application to its newly announced policy. In these conferences the United States and the other American republics committed themselves against intervention and adopted consultation as a means of solving common problems and meeting common dangers.

Involvement in World War II made clearer the growing realization of the value of hemisphere cooperation. The neighborhood spirit became even more evident. Every Latin American nation declared war on one or more of the Axis powers and later signed the Charter of the United Nations. The right to construct and operate naval and air bases was freely granted to us. Lend-lease aid and Export-Import Bank credits contributed to hemisphere defense and the maintenance of stable economies throughout the Americas. Three Meetings of the Foreign Ministers of the American Republics (Panama, 1939; Habana, 1940; Rio de Janeiro, 1942) further consolidated hemisphere unity in the struggle against Axis aggression.

Today United States policy in dealing with Latin America is guided by the spirit of the Good Neighbor and is formulated within the framework of the "inter-American system". Gradually and almost imperceptibly this system has been forged out of the day-to-day relations between the nations of the Western Hemisphere. From an organizational standpoint, the system presents a complex maze of offices, institutes, bureaus, commissions, committees, boards, and tribunals—a heterogeneous group of temporary and permanent agencies, with the Pan American Union serving in many ways as a coordinating secretariat. The integration of these agencies into a compact system is to be the principal

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task of the forthcoming International Conference of American States at Bogotá.

In the process of developing the inter-American system, the nations of the Americas have committed themselves to a body of fundamental principles, more or less clearly defined:

1. Political independence of the American states, and opposition to non-American attempts to interfere in hemisphere affairs.
2. Republican form of government as a common political ideal.
3. Equality of American states before international law and in the making of decisions in conferences.
4. Recognition of the territorial integrity of sovereign American states, condemnation of conquests, and nonrecognition of territorial changes made by force.
5. Pacific settlement of inter-American disputes.
6. Respect for and faithful observance of treaties and other commitments, freely made.
7. Cooperation in the advancement of common political, economic, social, and cultural interests.
8. Nonintervention of one American state in the affairs of another.
9. Consultation looking toward the solution of common problems and the maintenance of common defense.
10. Continental solidarity in protection of the independence, peace, and security of the American states.

These principles—set forth and reaffirmed in numerous treaties, conventions, resolutions, and declarations—are deeply rooted in inter-American opinion and practice. Their strength rests in the fact that they represent more than a half century of conscious, cooperative efforts on the part of Western Hemisphere nations to meet common dangers and to solve common problems. They constitute in some respects an unwritten charter for the oldest regional system in the world.

Although the United States is fully committed to the support of this regional system, it has no desire to weaken the bonds of friendship between its Latin American neighbors and non-American nations. It is our view that regional arrangements, such as the inter-American system, which respect the rights and interests of other states and fit into a world system, may become strong pillars in the structure of world peace, and that the interdependence

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of the modern world makes regional isolationism as dangerous as national isolationism.

The Charter of the United Nations provides that regional organizations which are consistent with the purposes and principles of the United Nations shall have a role in the peaceful settlement of disputes, and it envisages the authorization by the Security Council of regional arrangements to undertake enforcement measures in specific cases. The Charter also provides that nothing in it shall impair the inherent right of individual and collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. The United States is convinced that a stronger inter-American system will mean a stronger world system.

In the midst of World War II, the American republics met at Mexico City to make common cause against the Axis aggressors and to dedicate themselves to the perpetuation of the solidarity achieved under pressure of war. Toward these ends, the Inter-American Conference on Problems of War and Peace (Mexico City, February 21–March 8, 1945) approved two far-reaching resolutions. The Act of Chapultépec (resolution VIII), growing out of the conference, provided for consultation regarding measures to be taken in case of any threat to or attack upon the territory, sovereignty, or political independence of any American state, and recommended the conclusion of a treaty establishing common defense procedures for making effective the decisions reached in consultation.

The Inter-American Conference for the Maintenance of Continental Peace and Security (Rio de Janeiro, August 15–September 2, 1947) met “to fulfill the promise of Chapultepec and the sanction of the United Nations Charter”. Under the inter-American treaty of reciprocal assistance, signed at Rio de Janeiro on September 2, 1947, nineteen republics agreed “that an armed attack by any state against an American State shall be considered as an attack against all the American States”, and each undertook to assist in meeting the attack. In event of such an attack, each state

shall decide upon the immediate action which may be required of it in support of this obligation. This immediate mutual-defense action is to be followed by prompt consultation to determine more definitely upon collective plans. Possible collective procedures range from the recall of chiefs of diplomatic missions to the collective use of armed force. Consultative decisions are to be made by two-thirds vote and are binding on all ratifying states, "except that no state shall be required to use armed force without its consent".

"The purpose of the treaty", said Secretary Marshall, "is to provide for the peace and security of the Western Hemisphere. It lays down in precise terms the agreed action to be taken in case of aggression from without or of aggression within the Hemisphere."

Article IX approved at Mexico City in 1945 proposed the "Reorganization, Consolidation and Strengthening of the Inter-American System" and charged the Pan American Union with the task of preparing a draft charter for the consideration of the International Conference of American States at Bogotá, Colombia, in 1948. The Governing Board of the Pan American Union has now drafted and submitted to the member states for prior study a "Project of Organic Pact of the Inter-American System". The principal task of the Bogotá conference will be to integrate the inter-American system so that it may more effectively cope with the pressing problems of peace and security.

9. CONCLUSION

THE FOREGOING SURVEY, by no means exhaustive, suggests the world-wide extent of American international interests. These interests and the policies for dealing with them are the expression of the extraordinary position of the United States in world politics today. Underlying factors which have brought about this growth in our position are: (1) the revolution in communication and transportation, which has brought all areas of the world into close and rapid touch with each other; (2) the profound change in the character of modern war, with its capacity to spread mass destruction on an unprecedented scale; (3) the breakdown of normal economic life and the threatened political collapse in large areas of the world, particularly in Europe and Asia, as a result of the war; and (4) the historic shifting of the "balance of power" of the world, marked by the eclipse of some former great powers and the rise of the United States into a position of outstanding leadership in world affairs. All these developments have combined to impose on the United States a remarkable degree of power and responsibility.

During the past several years our Government and the American people have sought to bring about a restoration of peace after World War II, under conditions that would: (1) remove the danger of Fascism, Nazism, and militarism; (2) cultivate the spirit of democracy, with its fundamental guarantees of individual rights; (3) assist in restoring the war-devastated nations to economic health and stability; and (4) lay the foundations for the organization and maintenance of the future peace and economic welfare of the world.

In 1945, when the enemy states laid down their arms and surrendered unconditionally, the prospects for the realization of these hopes seemed sufficiently bright. In recent months they have

dimmed. Secretary Marshall stated to the General Assembly of the United Nations on September 17, 1947:

The situation we face today may be summarized by the statement that more than two years after the end of the war the fruits of peace and victory are still beyond our grasp. Men look anxiously toward the future, wondering whether a new and more terrible conflict will engulf them. We have not yet succeeded in establishing a basis for peace with Germany and Japan, nor have we restored Austria as an independent state. Reconstruction lags everywhere; the basic requirements of life are scarce; there is desperate need throughout great areas. The complex economic machinery which was thrown out of joint by the war has not yet been put back into running order. In place of peace, liberty, and economic security, we find menace, repression, and dire want.

Behind our inability to grasp the "fruits of peace and victory" is the failure of collaboration among the Great Powers in the pursuit of the objectives essential to peace and security. Important in this connection has been the attitude of the Soviet Union, which has been characterized by intransigence in implementing agreements reached on a broad range of subjects at wartime conferences, such as those at Moscow, Yalta, and Potsdam.

The Soviet Union, along with the United States, is party to commitments with reference to the demilitarization, political reconstruction, and economic unification of Germany. The U.S.S.R. has failed to implement many of these commitments, however, and has been mainly concerned with extracting maximum reparations from Germany and insuring that a new German political regime shall be "friendly" to the Soviet Union. The United States has been concerned chiefly with such economic rehabilitation as may render Germany self-sustaining without jeopardizing security requirements, and with democratic reconstruction on the basis of free political action by the Germans themselves.

The United States desires that Germany shall occupy a position among the powers which would give her freedom to cooperate in a broad program of European economic reconstruction rather than to be linked economically and politically with any orbit. The impasse between the Great Powers in this matter has resulted temporarily, at least, in the virtual partition of Germany.

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The situation in Austria is somewhat similar to that in Germany. The United States favors an Austrian state both economically and politically independent, while the Soviet Union insists upon the appropriation of alleged German assets in Austria to an extent that, in United States opinion, seriously endangers such independence. This issue has been the chief obstacle to agreement on a treaty with Austria and formal confirmation of its status as an independent and sovereign state.

As previously noted, agreement has failed on the vital problem of atomic energy. The U.S.S.R. has thus far been unwilling to cooperate along lines that appear to the majority of the Atomic Energy Commission of the United Nations to be essential to any real safeguard against the danger of another war involving the use of atomic weapons. The United States Government supports the overwhelming majority of that Commission in its proposals for: (1) the creation of an international atomic authority with full powers over the development and use of atomic energy; (2) the establishment of an enforcement system in which no violator of the proposed atomic-energy treaty will be able to escape the consequence of his action by any legal means, including the veto; and (3) the gradual elimination of atomic weapons from national armaments as conditions of security are progressively achieved.

The Soviet Union (1) would limit the jurisdiction of the international authority by denying it any right of managerial control or ownership over atomic-energy activities that are dangerous to security; (2) rejects the necessary comprehensive system of international inspection proposed by the majority of the Commission; (3) refuses to abandon the veto on questions of violation and enforcement under the terms of the treaty; and (4) insists that atomic weapons must be destroyed prior to the development of an effective international system of control which would protect complying states from the hazards of violations and evasions.

Secretary Marshall, in his address to the General Assembly on September 17, 1947, took note of the fact that the majority of the Atomic Energy Commission "has devised a system of control which, while it is bold and daring, is, in our view, essential for

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security against atomic warfare. The minority has evidently been unwilling to face these same facts realistically.”

The breakdown of cooperation among the Great Powers has threatened the effectiveness of the Security Council of the United Nations as an organ for the maintenance of peace. This has been manifested particularly by the use of the veto by the U.S.S.R., even in what are ordinarily regarded as procedural matters. The United States has become concerned over what it regards as the abuse of the veto in the Security Council and has made proposals to limit its exercise in line with the statement of the Four Powers at San Francisco on June 7, 1945, to the effect that the permanent members would not use their “veto” power “wilfully to obstruct the operation of the Council”.

The United States has made it clear that it does not desire to stand by while the political and economic fabric of the world progressively decays. Experience has demonstrated that hunger and economic distress breed political unrest and make men an easy prey to extremist ideologies and political tyranny. The situation is made worse when internal economic distress and political unrest are aggravated by a war of nerves from neighboring states seeking to encourage internal subversive movements and threatening to establish political dictatorships.

To achieve peace it will be necessary to deal with the causes of unrest in the world. The American Government has said that it will do what it can “to assist in the return of normal economic health”,¹ realizing that, as Senator Vandenberg said (June 13, 1947), the United States “cannot prosper in a broken world”.

¹ Remarks by Secretary Marshall at Harvard University, June 5, 1947.

