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THE UNITED STATES IN WORLD AFFAIRS

1949

BY RICHARD P. STEBBINS
AND THE RESEARCH STAFF OF THE
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WITH AN INTRODUCTION BY
GEORGE F. KENNAN

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INTRODUCTION

BY GEORGE F. KENNAN

THE most widely neglected area in diplomatic history is the one which it is perhaps most essential that we understand: namely, the immediate past—the mirror of our own personal mistakes and achievements and the direct determinant of our current problems. It is for this reason that the government official, impressed both with the need for such retrospection and with the importance of its being conducted outside the government as well as within it, derives a feeling of comfort and gratification at the appearance of another volume in this series of publications of the Council on Foreign Relations.

The year 1949 was essentially a year of transition from the difficult clarifications of 1947–1948, which determined the final shape and character of the post-hostilities *status quo,* to the crises of 1950, which were implicit in the new situation. These crises are now upon us; and the appearance of this volume will find the American public preoccupied with problems of national policy of unprecedented gravity and complexity.

The basic complication of the post-hostilities era has of course been the combination of (a) the presence in this world of a power committed by its own leaders, perhaps unwittingly, to a program which, if successful, would mean the destruction of civilized life; (b) the command by that power of the obedience of great peoples and the resources of great territories; and (c) above all, the temporary state of weakness of those other parts of the world from which would normally have come the will and the strength to hold in check this embittered and essentially anarchic power. This latter consideration meant that for the first time in its history the Soviet Union found itself in a favorable power relationship vis-à-vis the totality of the forces confronting it in Europe and Asia.

The resulting situation was such that there has been no question at any time since 1945 of the ability on the part of the Soviet leaders to plunge the world into a new war, if they were minded to do so. At no time during this period has there been, or could there be, any total security against such a turn of events.

It was clear that if war were unleashed, the result would be calamitous for everyone concerned. There might, to be sure, be differences of degree in the misfortune suffered by one nation or another. These differences might be held to constitute the formal distinction of "victory" and "defeat." But in reality they would be only sorry gradations of adversity, important, yes—because life must go on, in the wake of even the greatest catastrophe—but devoid of any happier significance.

The great question, therefore, and the one which dominated international events in the year 1949, was whether it would be possible for the non-Communist powers, and outstandingly the United States of America, so to conduct themselves as to keep the Soviet leaders convinced of the undesirability from their own standpoint of deliberately kindling such a conflagration or of playing fast and loose with the possibility of its outbreak. The United States people and government found themselves before the problem of how to deal with this desperate force in such a way as to prevent its ambitions from finding their relief in military encounters—leaving it to the operation of time and change to temper the antagonisms involved and to resolve them gradually into the unforeseen and unforeseeable relationships of another age.

Superficially, there seemed to be little that was new in this problem, and precedent enough to warrant belief in the possibility of its solution. There had, after all, been a Soviet Union for more than two decades before World War II. Its leaders throughout the latter part of that period had been in the main the same ones we know today. There had been no significant change in their ambitions, their prejudices, or their methods. Then, as now, they had maintained armed forces on a huge scale, larger than seemed necessary, at most times, for the de-

fense against external aggression of the territory under their power, granted a reasonable and non-aggressive policy on their own part. Somehow or other the outside world had contrived to exist side by side with them throughout that interwar period, and the apposition had led to no major military conflict until Hitler had himself unleashed one on June 22, 1941.

Yet there were differences, now—differences so great that it was a question whether there had not been a basic alteration in the elements of the problem.

First, there was the fact that the peoples of Germany and Japan were no longer available to play their full part in the balance of forces. Their talents and vigor were sadly needed at this juncture, but they had temporarily disqualified themselves in many ways to contribute in this respect. For the time being, they could be called upon to help only in a small degree, by no means commensurate with the capacities for constructive achievement which they were known to possess.

The second fact was that the Soviet leaders, by extending their power to include many tens of millions of people beyond the confines of the traditional Russian state, had now altered the framework in which the internal security of their power had to be maintained. This alteration was in the direction of greater vulnerability rather than greater strength. These men were now imperialists in the grand manner, and they could not escape the traditional anxieties and nightmares of empire. They had placed themselves in a new position from which they could not easily withdraw. They had thereby lost something of that freedom and flexibility of action which would be needed if they themselves were to have the best chance of avoiding involvement in war, even given the desire to do so. Stalin is said to have asserted in 1941 that he, in contrast to Hitler, would know where to stop. But there was a possibility that the very actions he was then taking and planning were carrying him, unbeknownst to himself, into a situation where the stopping would not be as easy as he thought.

Finally, there was this great difference: whereas before World War II it had been the European and Asiatic peoples,

longer and better schooled for the struggle of survival in an atmosphere of deadly international rivalry, who had sat on the dangerous marches between the two worlds and borne the main responsibility for meeting the initial impact of the Soviet ambitions, it was now the people of the United States of America who were called upon to shoulder this burden. They were a people unschooled and still inadept in the relation of military strength to national policy. They were unaccustomed to the sense of national insecurity. They were unprepared for the ordeal of sparring indefinitely and inconclusively with a force committed to the destruction not only of their own national power but also of the only sort of international context in which their ideals could be realized. Finally, they were reluctant to believe that there could be major international problems to which there would not be incisive and final solutions, if their policy makers could only find them—problems, in other words, which had to be lived with instead of solved. It fell to these American people to acquire suddenly the art of being patient and conciliatory without showing weakness, and conversely of maintaining strength, and using it, without being rash or provocative. These qualities, heretofore called for mainly from the rulers of great empires, had now to be elicited from the national understanding and feelings of a democratic republic and translated into action, with the requisite promptness and discipline and subtlety, through the unwieldy processes of democratic government.

The great question did not rest alone on this test of the democratic society; for, as we have just noted, the utmost prudence and adroitness would be insufficient to avoid a war if others were determined to unleash it. But there was always the possibility that others, while remaining fully determined to achieve their aims by one means or another, would find it expedient to avoid, if possible, the actual unleashing of a world conflict. There was thus always a chance that the worst calamities could be avoided. A peace-loving country had no right to be neglectful of the hopeful possibilities. It had to do everything in its power to nurture them and develop them. But even

if this possibility existed, as an objective fact, there was much to be done to develop it into the reality of a stable world. It was clear that only the demonstration of great maturity and sagacity and restraint on our own part, combined with the maintenance of vigilant strength and supported by the understanding and loyalty and counsel of our friends and allies in the world, would be able to carry civilization, already so sorely shaken by two disastrous world wars, without mortal damage to more hopeful times and constellations.

The events of 1949 were illustrative of these great tests to which the American people were being subjected. It remained for a later period to reveal how successfully they were responding to them, and whether this response, always based on a hopeful but unproven hypothesis, would really turn out to be the element which resolved the vital issues of the times.

PREFACE

WITH this volume for 1949 *The United States in World Affairs* returns to an annual publication schedule based on the calendar year. The preceding volumes in the postwar series described an extraordinary process of national adjustment to new world conditions, culminating in the signature of the North Atlantic Treaty on April 4, 1949. The present contribution takes up the story at that point and deals somewhat more fully with other developments like the Point Four program which originated earlier in the year. Cross references have been supplied in the few instances where the treatment overlaps that of previous volumes. No attempt has been made in this transitional volume to stop the narrative abruptly as of the close of 1949; certain phases of American foreign policy, notably the activation of the Mutual Defense Assistance Program and the gradual clarification of official thinking on the Far East, have been carried through to more logical stopping points early in 1950.

The general purpose of this series is to provide mature readers with an interpretive record of American world policy as it develops from year to year. It makes no pretense at definitive history, nor at exhaustive treatment of any particular segment of U.S. foreign relations. What it does attempt is to aid in the understanding of contemporary affairs through a balanced, impartial analysis in which recent developments are brought into intelligible focus and related to the broad, underlying tendencies that are shaping the modern world. By subordinating particular events to the over-all picture, it aspires to supplement—though hardly to substitute for—the more detailed information which is readily available from other sources. Each volume is designed to be read as a whole, but adequate reference guides are provided for those readers whose immediate interests are more limited.

The attempt to define a coherent pattern amid the welter of daily events is not an easy one, and not everyone will be equally satisfied with the results achieved in any one year. The growing interrelation of developments in all parts of the world poses exceptionally difficult problems of interpretation, organization, and space allotment. If European affairs claim somewhat more attention in the present survey than do Far Eastern matters, that is not because the latter were inherently less significant but because, for the United States, 1949 was a year of intense activity in Europe and primarily one of recoil and readjustment in the Far East. Similarly, the relatively brief treatment of our direct relations with Great Britain during 1949 implies no loss of interest in the Anglo-American partnership but simply the fact that, despite transitory misunderstandings, the relationship of the two peoples and governments remained fundamentally sound. The heavier emphasis on developments in the United Nations, on the other hand, corresponds to a definite growth in the influence of the world organization, in connection both with immediate political problems and with the long-range conditions of human progress and development.

At a time when foreign policy has become the most bitterly controversial public issue of the day, it is appropriate to emphasize that this series is concerned neither with defending nor attacking particular policies or the individuals associated with them. Its only purpose is to present the record, fully and fairly, against the background of American interests and objectives throughout the world.

R. P. S.

New York, July 1950.

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CHAPTER ONE

NEW HORIZONS IN AMERICAN FOREIGN POLICY

AMERICANS as a people have never sought a leading role in world affairs. Their appearances on the international stage have generally been undertaken with reluctance and completed as rapidly as possible. Successive generations have tended to look on foreign affairs as a rather mysterious and unwholesome realm in which the typical national virtues found little application and the ingenuous American exposed himself to likely frustration by unscrupulous adversaries. At most, foreign relations were viewed as the pastime of a narrow elite and an inconvenient diversion from the great enterprise of developing a continent and enjoying the fruits of its unparalleled endowment. From time to time considerations of economic interest, humanitarian feeling, and national power and prestige mitigated the effects of this sentiment, without destroying the sentiment itself. Only the double shock of the two greatest wars in history, succeeding each other within less than a quarter of a century, finally dispelled the comfortable illusion that the security and welfare of the United States were in some way immune to the conditions that periodically created havoc in other parts of the world.

World War II, from which the United States emerged as the richest and most powerful nation on earth, banished the older isolationalism and wrung general assent to the principle that the American people was henceforth committed, as a matter of plain self-preservation, to some form of active participation in the world's affairs. The familiar parochial attitudes simply were no longer tenable in an age of mass intercontinental troop movements, transoceanic aviation, and the atomic bomb. In token of its decisive break with the isolationist past, the United States became the leading advocate and sponsor of the United Nations,

the new world organization which, it was hoped, would harness the combined energies of the world's peoples "to save succeeding generations from the scourge of war." Unlike the League of Nations a generation earlier, the United Nations expressed an idea that had behind it the force of American public sentiment. Henceforth the only significant arguments among Americans would concern the manner and the degree in which we should exercise the influence that had been thrust upon us.

About the basic objectives of American world policy there was also little room for disagreement. In essence they amounted to a projection, on a global scale, of the classical American aims of life, liberty, and the pursuit of happiness. Idealism and self-interest alike suggested the goal of an ordered but neighborly kind of world in which men and communities would be free to govern themselves, to trade, to worship, and to enjoy their birthright as human beings without fear of war, exploitation, hunger, disease, and economic crisis. For most reflective Americans, the lofty ideals of the Four Freedoms and the Atlantic Charter represented more than shrewd strokes of wartime propaganda; they indicated the surest road toward preservation of the American heritage itself. In so shrunken a world, liberty, security, and prosperity could be maintained in the long run only if they could be made general.

The application of these broad principles in the turbulent atmosphere of day-to-day international politics would not be easy. Each practical step would involve difficult choices among conflicting interests and aspirations. Already at the war's end there was reason to fear that not all of the nations which had combined to overthrow the Axis aggressors attached a comparable meaning to the solemn declarations that had cemented their alliance. Historical antagonisms, differing political and economic systems, contradictory ideologies were certain to complicate the task of peacemaking and reconstruction and might, unless subordinated to the transcendent interests of all humanity, frustrate the imperative search for a lasting peace.

The American people, still relatively unsophisticated, somewhat inclined toward national complacency, and easily swayed

by emotion, were not yet well prepared in all respects to assume the burden of world leadership. They would experience a temptation to fix objectives without sufficient reference to available resources, and to adopt policies without providing adequate means for their execution. It would be difficult to provide leadership to other nations while avoiding the appearance of seeking to dictate their policies. At home, each group of Americans—business and industry, labor, farmers, veterans, taxpayers—had particular, tangible interests which impinged on foreign policy and would not be easily subordinated to the general interest. Admirably as the nation had responded to the challenge of war, the transition from war to peace faced it with a test which would be even more exacting and which promised to be of indefinite duration.

1. Foreign Relations in a Split World

The world that was gradually emerging from the fog of war was in many respects an unfamiliar one, even to those Americans who had habitually concerned themselves with foreign affairs. The wartime revolution in American attitudes was matched by equally profound changes—economic, political, social, and psychological—in every area of the globe. Europe had passed through a convulsion which had left it dangerously and perhaps permanently enfeebled. Great Britain's valiant struggle had exacted a toll too heavy to be fully grasped at once. The old European hegemony in Africa and Asia, already exhibiting signs of strain before 1939, had been further undermined by the vicissitudes of war and by the powerful upsurge of new aspirations among the world's dependent and semidependent peoples. Demands for social advantages and a larger share of the world's goods had swelled in volume, not only among the peoples of "backward" areas but among the broad masses of all nations, including the most advanced.

The twin forces of heightened nationalism and social pressure, pent up over years and decades and released on a world scale by the cataclysm of 1939–1945, were inevitable results of

the inequities and oppression that had characterized the prewar system in many parts of the world. The need for drastic social and political readjustments which would give reasonable scope to these new tendencies was widely recognized. There was a danger, however, that freshly awakened peoples, lacking in discipline and in a realistic sense of possibilities, might misjudge their own interests or lend themselves to the designs of unscrupulous demagogues and agitators. Unless guided and controlled by superior statesmanship, these impetuous forces could lead to outright chaos instead of to the new and better order to which humanity claimed the right to look forward.

The urgency of this challenge was sharply accented by a related development of incalculable importance. This was the appearance in full maturity of a second world power whose strength and influence were comparable to those of the United States, but whose aims and ambitions appeared radically different and which obviously lacked neither will nor ability to exploit the new world conditions for its own ends. In the prewar family of nations the Union of Soviet Socialist Republics, as the sole protagonist of the Marxist-Leninist doctrine of world revolution, had wielded an ideological influence out of all proportion to its material strength. The war against the Axis left it, despite appalling destruction and loss of life, as the one strong power dominating the great Eurasian land mass. Such military and economic strength, if exerted in support of expansionist and revolutionary aims, would be a standing threat to world order and a formidable challenge to the principles of evolutionary democracy which provided a common ground between the United States and the majority of its allies.

The postwar intentions of the U.S.S.R.—or, rather, of Marshal J. V. Stalin and the small group of Communist associates who wield all authority in this most systematic of totalitarian dictatorships—were not at all clear to the peoples of the outside world at the time the Nazi and Japanese empires were overthrown in 1945. Soviet pronouncements and actions had encouraged a widespread belief that the Kremlin had renounced its purpose of fomenting world revolution and was prepared to

join with the United States and Great Britain—possibly in association with France, China, and smaller powers—to meet the issues of peace as they had met those of the war. On the part of the Western governments there was every hope that the era of fruitful collaboration with the Soviet Union would be prolonged, disheartened though they often were by the seeming invincibility of Soviet mistrust, the heartbreaking difficulty of routine negotiation, and a mounting record of what looked like unfulfilled Soviet promises. In testimony of these hopes they joined with the U.S.S.R. at San Francisco to create a world security organization whose special peculiarity lay in the fact that it could function as an effective guardian of world peace and security only when the five "great powers"—the Soviet Union, the United States, Britain, France and China—were unanimously agreed to make it do so.

Concerning the real opinions, aims and mental reservations of the U.S.S.R., in 1945 and subsequently, it is impossible to speak with assurance because the Soviet leaders, to whom propaganda is second nature, have never developed a medium for making known their real thoughts. In the light of wartime and early postwar history it seems reasonable to suppose that the Soviet Government nourishes its own record of disappointed hopes, unfulfilled agreements, and real or fancied affronts. The area for possible genuine misunderstanding between the realistic, practiced politicians of the West and the cloistered, hypersuspicious, doctrine-ridden men of the Kremlin can perhaps hardly be overestimated. Future historians may find the breakdown of Soviet-Western collaboration after 1945 less remarkable than the fact that two such antagonistic systems were able to coordinate their efforts in smashing the power of Nazi Germany.

Whatever the ultimate assignment of responsibility, the world was soon forced to recognize that the major powers—on one side the Soviet Union, on the other the United States and the United Kingdom, joined by an ever-increasing roll of "middle" and smaller powers—were working at cross purposes in virtually every area of contact. Whether the immediate issue concerned

the formulation of peace treaties for Italy and the lesser enemy states in Eastern Europe, the activation of the new United Nations organization, the administration of occupied Germany, Japan or Korea, or the restoration of normal conditions in the Middle East, the Soviet Union seemed bent on extending its influence and its system to the utmost; the Western powers were equally intent on curbing an expansion which to them seemed wholly alien to the spirit of their understandings with Russia. Powerfully abetting this forward surge of Soviet power in Europe and Asia were local Communist and pseudo-Communist parties, which had collaborated with national patriotic groups to speed the defeat of the Axis but now engaged more and more openly in campaigns of disorder and disruption which were unmistakably designed to shake the position of the Western powers and those who supported them.

The details of this world-wide diplomatic and political struggle are fully recounted in earlier volumes of this series. Here it is sufficient to recall that political leaders in the United States and other Western countries gradually became convinced that they were engaged with a power whose basically antagonistic aims and methods would make normal international intercourse impossible for the indefinite future. This conviction was neither precipitately arrived at nor lightly accepted by responsible statesmen. "We have been very patient with the Soviet Government, and very hopeful of its good intentions," wrote Henry L. Stimson, former Secretary of War, in 1947. ". . . It has been our hope that the Russians would choose to be our friends; it was and is our conviction that such a choice would be to their advantage. But, for the time being, at least, those who determine Russian policy have chosen otherwise, and their choice has been slavishly followed by Communists everywhere. No sensible American can now ignore this fact. . . ." [1]

Two broad courses of action appeared to American leaders as the only feasible response to the U.S.S.R.'s refusal to accommodate itself to the will of the majority. One was to commence

[1] Henry L. Stimson, "The Challenge to Americans," *Foreign Affairs,* XXVI, October 1947, 8.

the rebuilding of American armed strength, which had been largely dissipated at the end of the war. Some observers saw a direct correlation between the decline of effective American power in Europe and the growth of Soviet intransigence. Although American occupation troops in Germany and Austria formed a provisional screen against Soviet expansion to the West, neither they nor the atomic bomb were an adequate counterpoise to the large forces retained under arms in the U.S.S.R. and the areas it controlled. The second course, gradually worked out by improvisation rather than by design, was an attempt to stem or "contain" the expanding Soviet pressure outside the Russian frontiers by strengthening the defenses and the economies of the non-Communist world, particularly at those critical points in Europe and the Near East which were threatened with early collapse if left unsupported against Soviet thrusts. Increasingly as time went on, these two interdependent policies came to seem like different aspects of a single effort, since American security and defense could not be dissociated from the security of the free world as a whole but could only be sought within that wider framework.

Strengthening of the non-Soviet world was never conceived as a purely American enterprise, but rather as a policy of encouragement and support for peoples who had themselves demonstrated a will to overcome their difficulties and safeguard their independence. "Self-help and mutual cooperation" became the watchword of American action, which was undertaken only in association with other countries under agreements voluntarily arrived at. Furthermore, none of the steps in this unfolding policy was envisaged wholly as a negative, anti-Soviet or anti-Communist move. For many of them, and notably for the great conception of the European Recovery Program, ample justification could be adduced on economic and other grounds without reference to the Soviet challenge. But it was undeniably from this challenge that each step derived its major significance, in the eyes of the world and in those of both American and Soviet leaders. The latter, fully aware that the success of American efforts would mean a serious check to their own ambitions in

Europe, bent every energy to consolidate and extend their position while the opportunity remained.

By a kind of fatal reciprocity, each forward step by the United States and its European associates could be viewed as a direct response to Soviet-Communist expansionism but in turn called forth new manifestations of the same tendency. Thus the Greek-Turkish aid program and the Truman Doctrine of March 1947, inspired by a more or less imminent threat to the independence of Greece and Turkey, were followed by intensified Communist intervention in the Greek civil war, a Communist coup in Hungary, and an accelerated campaign against pro-Western elements in the other Soviet satellite states of Eastern Europe. The inauguration of the Marshall Plan in the summer of 1947 precipitated the formation of the Communist Information Bureau (Cominform) to coordinate the activities of the leading European Communist parties in an all-out drive to wreck Western Europe's recovery effort. This Communist offensive, and the submergence of Czechoslovakia by the Communist tide early in 1948, provided the main motive force behind the defensive alliance concluded with American encouragement by Great Britain, France, and the Low Countries in March of that year.

In somewhat similar fashion, the unilateral policy pursued by the U.S.S.R. in Eastern Germany was largely responsible for the decision of the U.S., British, and French governments in June 1948 to establish a separate German government in their zones of occupation. It was this decision that prompted the desperate Soviet attempt to gain control of Berlin—and a reversal of Western policies in Germany—by severing land and water communications with the former German capital, forcing the Western powers to resort to the air to supply their occupation forces and the 2,225,000 German civilians in the Western sectors. Throughout the last six months of 1948 and the spring of 1949, international relations were dominated by the realization that, in the existing state of tension in Germany, any untoward incident might plunge a barely convalescent world into World War III. It was in this atmosphere that the United

States took the ultimate step of combining with Great Britain, France, and nine other nations of Western Europe and North America [2] to conclude a North Atlantic security pact.

Signature of the North Atlantic Treaty on April 4, 1949 was the logical culmination of the American policy of counterbalancing Soviet power in Europe. As a regional agreement explicitly subordinated to the provisions of the United Nations Charter, the treaty could count among its antecedents the Charter itself, the Inter-American Treaty of Reciprocal Assistance (Rio pact) of 1947, and the Vandenberg Resolution of June 11, 1948, endorsing association of the U.S. under certain conditions with "regional and other collective arrangements" affecting its national security. Though not without precedents, the treaty entailed new and far-reaching obligations which signified a radical break with American tradition—or would do so when the consent of the Senate to ratification had been obtained. Specifically, it pledged the United States and the other 11 signatories (1) to maintain and develop, by means of continuous and effective self-help and mutual aid, their individual and collective capacity to resist armed attack; (2) to consult together in case of a threat to the territorial integrity, political independence, or security of any of the parties; (3) to consider an armed attack upon any of the parties in the North Atlantic area as an attack against them all; and (4) to assist the party so attacked by taking forthwith, individually and in concert with the other parties, such action as each party should deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Such obligations were not to be lightly assumed, nor, once undertaken, could they be painlessly discharged. Even if the Senate accepted the treaty as it stood, there would be no cause for complacency. The Atlantic pact was not an impregnable bastion behind which the United States and its allies could safely relax. On the contrary, the fragile containment structure erected

[2] Belgium, Canada, Denmark, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal. On the negotiation of the North Atlantic Treaty see *The United States in World Affairs, 1948–1949,* 527-541; for the text, *ibid.,* 587-591.

since 1947 was built on the narrowest of political and economic margins. The combined military forces of the United States and its treaty partners were as yet wholly incapable of repelling a determined Soviet onslaught in Western Europe; and once Western Europe was lost, there was no guarantee that it could ever be recovered, still less rehabilitated from the effects of Soviet occupation. Furthermore, the entire system stood or fell with the continuance of wholehearted support by the United States, and it was yet to be learned how steadfastly this country would pursue the course it had marked out for itself in a period of exceptional crisis.

Whether the Atlantic pact made war with the Soviet Union more likely or less so was a question strenuously debated during the months of its negotiation, but one to which no assured answer was possible. Certain it was, however, that the pact widened the dangerous political and psychological gulf that already yawned between the U.S.S.R. and the West, and would make ordinary diplomatic relations more difficult than ever. What regular contact there had been with the U.S.S.R. in earlier years had virtually lapsed with the failure of the London meeting of the Council of Foreign Ministers late in 1947 and the subsequent breakup of the Allied Control Commission in Germany and the four-power Berlin Kommandatura. With the Soviet and Western governments completely at odds on practically every issue, the chances for even a resumption of normal intercourse, let alone any progress toward a genuine meeting of minds, seemed remote indeed.

A disturbing reflection of this universal deadlock was the partial paralysis that beset the United Nations. Though the world organization still displayed considerable effectiveness in dealing with issues like the conflicts in Palestine, Indonesia, and Kashmir, in which neither power group was directly involved, it was incapacitated for dealing with the far more numerous issues which were of immediate and direct concern to the great powers. Here action was effectually blocked by the U.S.S.R.'s use of the veto power in the Security Council and its

refusal to comply with decisions taken in disregard of its wishes by a majority of the nations represented in the General Assembly.

This eclipse of the world order planned at San Francisco caused varying degrees of concern in American and world opinion. As the conditions of deadlock came more and more to seem a permanent feature of international politics, there was a tendency in some American quarters to place mere frustration of the adversary ahead of the search for possible common ground and conciliatory solutions. Some few Americans, secure in what they believed to be this country's sole possession of the atomic bomb, inclined to view the problem of relations with the U.S.S.R. in purely military terms, forgetting that the main task of Western statesmanship was to disarm the Soviet challenge to world order and freedom without plunging humanity in the measureless horrors of another war.[3] Few traces of this spirit existed elsewhere. The peoples of Western Europe, in particular, had watched the growth of Soviet-American antagonism with deep misgivings and had been altogether reluctant to range themselves on the American side while any chance of noninvolvement remained. Whoever won the next war, they realized, humanity would be the loser. In the United States, too, many serious-minded persons continued to devote themselves to the baffling but vital problem of finding a basis for peaceful relations with the Soviet Union.[4]

The well-nigh exclusive concentration on the Soviet problem held other dangers. In the United States, it encouraged a wave of indiscriminate anti-Communist feeling, expressed in spy

[3] Exemplifying the false optimism generated in some American quarters by the supposed atomic monopoly were certain widely quoted remarks of Representative Clarence Cannon of Missouri, Democratic chairman of the House Appropriations Committee, in debate on a military appropriation bill on April 13, 1949. "Only land based bombers," said the Congressman, "could reach Moscow with a lethal charge. With the signing of the North Atlantic Pact we would have ample land bases and within a week we could blast every nerve center, every center of communication and production, every military concentration, and every naval submarine and air base." Our allies, Mr. Cannon suggested, could "contribute some of the boys needed to occupy enemy territory after we have demoralized and annihilated enemy territory from the air."

[4] On the American side cf. especially *The United States and the Soviet Union: Some Quaker Proposals for Peace—A Report Prepared for the American Friends Service Committee* (New Haven, Yale University Press, 1949).

scares, loyalty oaths, denunciations, and even sporadic violence, which caused some justified concern for the future of American civil liberties and lent a measure of plausibility to the world-wide Communist propaganda effort to present America as the land of triumphant reaction. Anti-Communism undoubtedly gave the American people a common platform at least as broad as they had possessed during the war; to that extent it assured the administration of broad popular backing for those policies that were visibly directed at curbing the Soviet Union. It was, however, essentially a negative platform, unlikely to assist in reaching the eventual modus vivendi with the U.S.S.R. which would presumably be the only alternative to a head-on clash. Insofar as it reflected a "reactionary" social and political attitude, it tended to alienate those progressive groups in foreign countries on whose cooperation American security largely depended. Above all, an anti-Communist attitude was wholly insufficient for dealing with the more and more urgent situations that confronted the United States in areas of the world which had not yet become major battlegrounds of the East-West struggle.

Throughout the Middle and Far East, manifestations of the new tide of nationalism and anti-imperialism were presenting the United States with baffling problems which sometimes involved an unwelcome choice between the interests of its European friends and those of the indigenous peoples to whom the future of Asia seemed to belong. China, where a strongly rooted Communist movement was rapidly bursting the feeble dikes of the Kuomintang dictatorship, posed a problem of special gravity, directly related to the over-all East-West struggle, which would demand extraordinary insight and suppleness on the part of the United States and other interested governments. In Latin America, social discontent and political violence represented a growing threat to liberty, stability, and hopes of prosperity to come.

On every continent, but particularly in South America, Asia and Africa, much of the existing turmoil was directly traceable to social and economic distress, antiquated methods of pro-

duction, inadequate consumption levels, high disease and mortality rates, educational deficiencies, and general unpreparedness to cope with the demands of twentieth-century life. These were the conditions that President Truman had in mind when he spoke in his inaugural address on January 20, 1949 of the need to "make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life," and invited all nations to join in a "world-wide effort for the achievement of peace, plenty, and freedom." Though presented in the framework of a strong denunciation of Soviet Communism, the President's Fourth Point had implications going far beyond the immediate East-West struggle. The problems he raised might well remain in the forefront when that struggle had become a thing of the past.

2. Elements of the New Foreign Policy

In its broadest terms, American postwar foreign policy could be defined—again in the language of the President's inaugural address—as "a great constructive effort to restore peace, stability, and freedom to the world." The contrary aims of the U.S.S.R. made this great enterprise more difficult, but also more imperative. The world struggle in which the United States had engaged itself called for simultaneous exertion of its political influence, its economic strength, and its potential military power; for, if foreign relations in the later 1940's were not quite the same thing as total war, they nevertheless made comparable demands on every segment of the total national life. Events had wiped out the old distinction between foreign and domestic affairs, and every important national policy now had both its foreign and domestic aspects. Each move on the international plane had repercussions affecting the daily lives of all Americans. Conversely, each event at home affected the national capacity to pursue a strong and consistent foreign policy, and underwent scrutiny by millions in other countries as a test of American sincerity.

In terms of the complexity of world problems and the previ-

ous unpreparedness of the United States for dealing with them, the over-all record of American postwar policy was an impressive one. In four short years, as President Truman proudly asserted in a speech at Miami on August 22, 1949, the people of the United States had "done more in the cause of world peace and world recovery than any nation has ever before been called upon to do." This, however, was not quite the same thing as saying that American action had always been adequate to the requirements of the situation. Against any such absolute scale, the record disclosed obvious shortcomings. Disparities between what a given situation demanded and what had actually been done to meet it could be pointed out in various fields. The magnitude of some problems had been seriously underestimated, and the remedies had not always been sufficient in themselves or fully consistent with one another.

Because of the conflicting interests and pressures that characterize the American system, the United States could not pursue its aims with the same degree of steadiness, decision and singlemindedness as its Soviet rival; nor could it devote its material resources unreservedly to the contest. In a period when foreign policy was conducted mainly through the allocation of tangible wealth, every dollar had to be obtained from a reluctant Congress, elected by a nation which was accustomed to the world's highest standard of living and was not readily convinced of the utility of large foreign expenditures which produced no visible returns. If American foreign policy rested on fairly well-defined and ascertainable principles, its concrete manifestations usually took the form of a compromise between a given principle and the limitations inherent in the way American democracy functioned. Furthermore, although American economic, military, and political policy were all directed to the same ultimate goal, each had its particular requirements which conflicted and had somehow to be reconciled with those of the other two.

In a world that was so complex, so variegated, and so essentially unpredictable, no government could have been expected to devise coherent policies adequate for every contingency that might arise. The imponderables in any situation, the possible

unforeseen repercussions of any course of action, were too numerous. More than in any previous era, statecraft had tended to become a matter of day-to-day and month-to-month improvisation within the limits of a few broad, general aims. The United States, which surpassed all other nations in the magnitude and range of its commitments, was exposed in a peculiar degree to all those conditions that militated against coherent long-range planning. Time and again in the postwar years an emergency arising unexpectedly in Great Britain, in Greece, or elsewhere had forced it to take urgent action and fit new responsibilities into an already onerous program. Perhaps more than with other major powers, American policy had taken the form of drastic piecemeal action to meet successive crises, rather than that of steady adaptation to changing conditions within the framework of an integrated over-all plan. Such had been the history of the American policies in Europe already described, and such was the prospect for any American policy that might emerge in the troubled Far East.

This situation, which caused periodic explosions of dismay on Capitol Hill, was partly attributable to the extraordinarily difficult world situation the United States faced. In part, also, it was the result of insufficient attention to the long-range aspects of policy on the part of government officials immersed in the details of day-to-day affairs. Although the Department of State made continuous efforts to remedy this condition by assigning certain officers specifically to "policy planning" duties, American foreign policy still fell far short of the ideals of full consistency and integration. Adaptation to the requirements of the modern world would require constant review of existing policies in the economic, military, and political fields in order to correct inadequacies and eliminate contradictions.

In economic policy the basic aims of the United States were easily and often stated. President Truman, in an important speech at Philadelphia on August 29, 1949, defined the objective succinctly as the restoration of world prosperity. Together with the other free nations, he said, "we must repair the damage of war, complete the restoration of the economy of Europe, and re-

vive world trade. We must go forward to establish an expanding world economy in which men everywhere can work to satisfy their desire for freedom and a better life. We must demonstrate that the economic system of the free nations is better than the system of Communism." The establishment of an expanding world economic system, the President emphasized, was equally important to the cause of world peace and to the prosperity and security of the United States itself, whose economic well-being depended on "more trade, expanding markets, and growth and development in other countries as well as our own."

This restatement of familiar concepts had behind it not only solid economic reality but a tradition of governmental action that extended back to the inauguration of the reciprocal trade agreements program in 1934. Restoration of world prosperity and progress toward a resumption of multilateral trade had been the guiding objective of U.S. foreign economic policy since before V-E Day. Many actions in this field had been of short-range, emergency character, designed to help make good the economic and financial havoc of war and speed the reestablishment of a soundly functioning economic system. This had been the basis of American participation in the United Nations Relief and Rehabilitation Administration (UNRRA), of its post-UNRRA and interim aid programs, of the $3.75 billion loan to the United Kingdom in 1946, and of the whole vast European Recovery Program conceived the following year. Between mid-1945 and mid-1949 the United States extended to foreign countries, including occupied areas, a total of $13.26 billion in outright gifts and grants and another $10.08 billion in reimbursable credits—sums equivalent to 13.4 percent of total budgetary expenditures in those years.[5]

At the same time the United States actively promoted longer-range measures designed to ensure some order and stability in the international economy in the period when emergency aid would no longer be necessary. During the war it joined with

[5] E. Seymour Kerber, "Foreign Transactions of the U.S. Government in Fiscal 1949," *Survey of Current Business*, XXIX, November 1949, 8-13. Figures exclude payments of $635 million to the International Bank and $2,750 million to the International Monetary Fund.

other United Nations to establish the International Monetary Fund and the International Bank for Reconstruction and Development, as well as the Food and Agriculture Organization and other bodies dedicated to economic rehabilitation and advancement in specific fields. In the postwar world it was the leading proponent of multilateral trade and nondiscrimination, negotiating tariff reductions with 22 other countries in the General Agreement on Tariffs and Trade (GATT) at Geneva in 1947 and acting as the driving force behind the Havana charter for an International Trade Organization which 53 nations signed on March 24, 1948.

Though the goals set by American economic policy were generally accepted by the non-Soviet world as a desirable ideal, there was no such agreement about their ultimate practicability. In part this skepticism reflected the protectionist mentality which was common both to well-established economic interests and to industrially underdeveloped countries; in part it reflected an appreciation of certain persistent features of the world economic structure which, year after year, seemed to prolong the need for emergency assistance and to defer the day when all nations, or most of them, could expose themselves to the competitive give-and-take of free, nondiscriminatory, multilateral trade.

Most fundamental of these conditions was the great disparity between the productivity of the American economy and that of most other nations, a disparity greatly accentuated by the war and which promised to exclude for a long time the possibility of balanced trade between the United States and the rest of the world. Almost all countries stood in need of American-produced foodstuffs, machinery, and consumption goods of many kinds; but their overstrained and damaged economies were unable to provide the United States with goods and services of comparable value and, because of high costs, tariff barriers, and other factors, had difficulty in penetrating the American market even with those commodities which were available for export. On a smaller scale, similar situations obtained in the economic relations of various foreign countries among themselves.

This was the origin of the world dollar shortage and a major cause of the inconvertibility of national currencies. Foreign countries, unable to earn sufficient amounts of the right currencies to balance their accounts at a high level, sought to protect themselves by exchange restrictions, import quotas, barter agreements, and all the other restrictive practices which had flourished in the 1930's and which American policy was dedicated to eliminating. In concluding economic agreements with other countries, the United States did its best to include guarantees against discriminatory and restrictive measures; in practice, however, these provisions were largely negatived by the insertion of escape clauses and tacit nonenforcement of the more arduous requirements.

The only short-term remedy for this situation seemed to lie in balancing the payments of the most sorely pressed countries by repeated infusions of dollars in the form of governmental loans and grants, combined with strenuous exhortations to the beneficiaries to realign their economies in a way that would better equip them to stand the gaff of competition. For Western Europe, where the situation had been peculiarly acute, the Marshall Plan had been designed to restore a rough equilibrium in the balance of payments by 1952; but, as the program entered its second year, there were grounds for doubting whether this objective would be achieved. These disheartening observations were accompanied by signs of growing skepticism in the United States about the desirability or the efficacy of foreign economic aid as a general principle.

Congressional and private spokesmen displayed great uneasiness at the prospect of continued demands for large foreign outlays. Misgivings were not confined to those who disparaged all foreign aid measures as attempts to "play Santa Claus" or "subsidize socialistic experiments," or special interest groups which professed to favor administration programs provided the sacrifices fell on somebody else. Many serious observers of unquestioned patriotism and vision were disturbed at the implications of expenditures which, in conjunction with the tremendous

postwar defense costs, necessitated unrelenting taxation and unbalanced budgets. Furthermore, foreign spending, by relieving immediate emergencies, tended to reduce the pressure for needed structural reforms abroad. Although there would still be need for some American outlays after 1952, all agreed that over the longer run some method other than American subsidies would have to be found to restore equilibrium in the world's trade.

To reunite a world economy which was tending to split into two or three distinct trading areas would require a coordinated effort on the part of both the United States and other countries. As a creditor nation the United States could not hope to maintain a large volume of exports unless it was prepared to increase its imports of goods and services from abroad. This would require careful review of the American tariff structure, customs regulations and procedures, and other factors tending to exclude foreign products from the American market. Other countries, meanwhile, would have to make drastic efforts to reduce their production costs, even at the sacrifice of vested interests, and develop more effective sales techniques.

Increased American investment in productive enterprises abroad was another potential means of narrowing the dollar gap and raising foreign productivity. In the long run, a combination of technical assistance and capital investment in underdeveloped areas, in line with President Truman's Point Four program, might do much to alleviate existing difficulties. The incentives to large-scale private investment abroad, however, were lessened by such hazards as political instability, discrimination against foreign enterprise, inconvertibility of currencies, and the threat of nationalization. A long-term solution would require a determined attack on all these problems and, above all, continued prosperity in the United States. A decline in economic activity at home would bring swift and disturbing repercussions around the world.

More was at stake in American economic policy than the promotion of expanding world prosperity for its own sake. The

economic health of foreign areas was directly related to American security and the survival of the free world. Soviet theory looked forward to a coming economic depression which would bring down the whole tottering structure of capitalism, and Soviet practice had shown that the Kremlin and its adherents were quick to take advantage of depressed economic conditions wherever they appeared. A strategic policy based on cooperation with other non-Communist nations would be meaningless unless it rested on firm economic foundations. From this point of view American economic policy and American strategic or military policy were merely two sides of the same coin.

In other respects, too, military policy was more closely aligned with the other elements of foreign policy than had been usual in the past. Indeed, military considerations were of such preeminent importance in the postwar world that the military aspect of foreign policy sometimes tended to dominate its other aspects. This tendency was not a result of the postwar appointments of military leaders like General George C. Marshall to high governmental office; it was a reflection of the fact that the results of World War II had made military power more rather than less important as a factor in international relations.

Immediately after V-J Day the armed forces of the United States had been rapidly demobilized, under pressure from a public eager to believe that the maintenance of world security could henceforth be entrusted to the new United Nations organization and its projected international police force, and that American possession of the atomic bomb guaranteed this country against infringement of its rights and interests. Recognition of these errors was followed by a painful process of rebuilding, based on the assumption that, as Defense Secretary Louis Johnson put it in an address to the National War College on June 21, 1949, the attitude of the Soviet Union left us "no choice but to maintain for an indeterminate part of our lifetimes military strength as a deterrent to armed aggression." Congress refused to heed President Truman's repeated requests for the introduction of peacetime universal military training, and the

10 divisions of the U.S. Army in 1949 were scarcely an offset to the 175 combat divisions which the U.S.S.R. was believed to be maintaining on an active footing.[6] Nevertheless the presence of over a million and a half Americans under arms in the three services and the continuance of the national defense budget at a level of some $15 billion showed how little this postwar era had in common with earlier periods of so-called "peace."

With the new emphasis on national military power went a fuller recognition of the importance to national security of areas outside the United States and its possessions. "The long-range strategy of this Nation cannot continue on a unilateral basis," General Omar N. Bradley told a group of influential Senators on August 10, 1949.[7] Modern war had made the old continental concept of security as obsolete as the old political isolationism, and it was now generally realized that effective defense of the United States must be based outside the national frontiers. This concept found its expression in the presence of American armed forces in many strategic areas throughout the world. The army contingents in Germany, Japan and other former enemy territories served not only for occupation duties but also as makeweights in the world balance of military power. Outside of its own territorial possessions the United States continued, in agreement with the appropriate national authorities, to hold or operate various military installations in the Western Hemisphere, the Pacific, Asia, Africa, and Europe. Such activities were not preparations for aggression, as claimed by Soviet propaganda, but reflections of the fact that peace continued to elude the grasp of world statesmanship.

In addition, the United States actively cooperated with friendly nations which were trying to rebuild and improve their own defense establishments, giving particular emphasis to countries like Greece, Turkey, Iran, China, and Korea which were directly threatened by Soviet and Communist expansionism.

[6] Testimony of General Omar N. Bradley before the Senate Appropriations Committee, October 15, quoted in *New York Times*, October 16, 1949.

[7] *Military Assistance Program: Joint Hearings* on S. 2388 before the Senate Foreign Relations and Armed Services Committees, 81st Congress, 1st Session (Washington, 1949), 91.

Aside from the supply of arms, equipment, and military instruction under the Greek-Turkish and China aid programs, American military missions performed advisory and training functions in Iran, Korea, the Philippines, and various American republics. Intimate collaboration with Canada and the United Kingdom was continued in certain fields of defense activity. After the conclusion of the five-nation Brussels treaty in March 1948, American officers began to play an active part—nominally in an "observer" capacity—in the deliberations of the Western European chiefs of staff organization and related bodies, an activity that paved the way for direct entrance into the Western European defense picture under the North Atlantic Treaty.

The evolving pattern of American military assistance rested on definite assumptions about the identity of potential allies and enemies in any future war. Starting from the axiom that the only conceivable source of large-scale aggression was the U.S.S.R., military planners reasoned that the most effectual way of meeting such an attack, or, if possible, stopping it before it got started, was a coordinated defense in conjunction with other friendly powers in Western Europe. Whether this concept was originally inspired by military or political considerations, American strategic policy was committed to an effort to keep Western Europe, with its skilled population and highly developed industry, from falling under hostile control. "Our frontiers of collective defense lie in common with theirs in the heart of Europe," said General Bradley on May 3, 1949. ". . . Plans for the common defense of the existing free world must provide for the security of Western Europe without abandoning these countries to the terrors of another enemy occupation." [8] Indications were that the United States planned to assist in rebuilding an integrated Western European defense force which, it was hoped, would eventually be strong enough to sustain the first shock of any Soviet attack and—aided by American strategic bombardment, including use of the atomic bomb—to hold off

[8] *North Atlantic Treaty: Hearings* on Executive L before the Senate Foreign Relations Committee, 81st Congress, 1st Session (Washington, 1949), Part I, 287.

the Russian divisions until large-scale American ground support could be brought to bear.[9]

Whatever the technical merits of this long-range plan, it was evident in the meantime that the National Defense Establishment itself was suffering from grave weaknesses and that there were inconsistencies and unresolved contradictions extending to the whole field of military policy as a branch of foreign affairs. Striking inadequacies persisted in the organization and functioning of the armed services under the National Security Act of 1947. An investigation conducted in 1948–1949 for the Commission on Organization of the Executive Branch of the Government disclosed "continued disharmony and lack of unified planning," "extravagance in military budgets and waste in military expenditure," and interservice rivalries which betrayed "a lack of understanding of the fact that military security depends upon cooperation and balance among the Army, Navy, and Air Force, and upon the creation of a genuinely unified military arm." [10]

Some of the organizational weaknesses were remedied in the summer of 1949 by the enactment of a law [11] designed to improve coordination by converting the National Military Establishment into a Department of Defense, strengthening the authority of the Secretary of Defense, and establishing the position of Chairman of the Joint Chiefs of Staff, to which the President appointed General Bradley. Legislation, however, could not abate the interservice jealousies and disputes which were seething beneath the surface. During October these internecine quarrels were brought into the full glare of world publicity in sensational congressional hearings in which the responsible chiefs of the Navy openly impugned the competence and

[9] The most authoritative statement of this concept was that of General Bradley to the House Foreign Affairs Committee, July 29, 1949. See below, pp. 82 and 144-145.

[10] *The National Security Organization: Letter from the Chairman, Commission on Organization of the Executive Branch of the Government, Transmitting to the Congress a Study . . . on the National Security Organization in the Federal Government,* House Document No. 86, 81st Congress, 1st Session, February 28, 1949 (Washington, 1949), 5.

[11] Public Law 216, 81st Congress, approved August 10, 1949.

integrity of their Army and Air Force colleagues and their civilian superiors, and were repaid in kind.

Aside from its distressing psychological and security aspects, this unseemly controversy—centering primarily on such critical issues as the merits of the Air Force concept of strategic bombing, the effectiveness of the atomic bomb, and the function of sea power and naval aviation—revealed a basic lack of agreement among the professionals about the implications of new weapons and military techniques and, indeed, about the whole nature of any future war in which the United States might become involved. While such vital issues remained unclarified it was difficult to suppress misgivings about other aspects of American military policy. Hitherto many Americans had clung to a belief that, whatever the shortcomings of the national defense organization, the American monopoly of the atomic bomb provided a screen of security which could not be breached before 1952 at the earliest. From these, however, the last psychological defenses were stripped away when President Truman, on September 23, 1949, announced that the United States had evidence of an "atomic explosion" in the U.S.S.R. within recent weeks. Whatever military advantage flowed from the ability to produce this terrible weapon would be shared henceforth with the Soviet Union.

The whole problem of the development, control, and use of atomic energy was one of the most momentous in postwar United States policy, with ramifications extending into every sphere of domestic and international life. The vast destructiveness of this new force released by modern science lent the problem an awesome quality that militated against cool public discussion even while it accentuated the need for calm, dispassionate efforts to arrive at sound policies, both nationally and internationally. Three aspects of the subject were uppermost during most of 1949: the problem of international control through the United Nations, hitherto blocked by Soviet Russia's refusal to accept the stringent safeguards which most other governments considered indispensable; the problem of resuming the wartime cooperation in atomic development with Great

Britain and Canada; and the problem of domestic policies and organization, including the scale of future efforts in the field of atomic research and development, the measure of secrecy necessary to prevent leakage of essential military information without unduly hampering scientific inquiry, and the institution of timely planning for industrial mobilization and civil defense in case of a possible atomic war. The year closed amid indications that the United States was contemplating the development of a still more powerful weapon, the so-called hydrogen bomb or "superbomb," whose destructive powers might be so great as to raise doubts about the moral and political assumptions on which all previous American policy had rested.

Military and economic factors loomed so large in American foreign policy that its specifically political ingredients were often difficult to identify. The Department of State, to which Americans still looked as the fountainhead of foreign policy, was largely immersed in interagency dealings concerned with the development of foreign assistance programs and the erection of strategic barriers against Soviet expansion. Officials responsible for conducting negotiations with foreign governments, representing the United States in United Nations bodies, and maintaining relations with Congress and the public were well aware that the substance of foreign relations now lay largely outside the political realm. Nevertheless it was a political idea that gave these activities meaning and direction. Their specific quality derived from the fact that the United States had also become the foremost champion of political "democracy" throughout the world.

Much of the day-to-day business of the State Department was concerned, in one way or another, with attempts to safeguard and encourage democratic practices abroad and with affirmations of the democratic idea in opposition to rival ideologies. Critics of the United States betrayed a lack of discernment when they dismissed these efforts as a hypocritical pretense and a cloak for expansionist aims. True, the praises of democracy as sung by State Department officials occasionally sounded a trifle stereotyped; yet the persistent emphasis on democratic ideals

in American policy did reflect a genuine, affirmative belief in the virtues of the democratic way, not only for Americans but also for other peoples. It also reflected an acute awareness of the challenge represented by the other, Stalinist form of pseudo-democracy, with its specious mass appeal and its world-wide apparatus of Communist parties, friendship societies, peace congresses and "democratic fronts." This democratic emphasis helped to endow U.S. policy with a sense of ultimate values and checked the tendency to subordinate them to military or economic expediency.

The postwar battle for democracy, in which American aims generally coincided with those of the parliamentary governments of Western Europe, was waged on many fronts and with varying success. In liberated and former enemy countries, efforts to encourage political rehabilitation along democratic lines achieved at least superficial success except in those areas where major occupation responsibilities lay with the U.S.S.R., as in the Balkans, Eastern Europe, and Northern Korea. In its policy toward dependent territories the United States also tried, within the limits of its obligations to Great Britain, France, and other colonial powers, to encourage progress toward democratic self-government and eventual independence. As a feature of its relations with various independent countries where democratic institutions were somewhat insecure, particularly in Latin America, the State Department issued occasional formal statements in which praise or blame were nicely proportioned to the country's recent record.

On a more general plane, the United States worked vigorously within the United Nations to promote the free exchange of ideas and information, and participated in all endeavors directed toward increased international understanding. In so doing, it acted on the assumption not only that better acquaintance among nations was helpful to the cause of peace but also that wider understanding of the United States could only increase the number of its friends. To the same end it conducted an extensive program of informational and educational activities, featuring exchanges of students and professors, maintenance of

U.S. libraries and information services abroad, and foreign radio broadcasts in more than a score of languages.

The modest budgetary allocation for such activities—$34 million for the fiscal year 1949–1950—was by no means the most serious of the difficulties involved in the attempt to promote democracy in the world. Looked at closely, "democracy" was something that even Americans found hard to define and even harder to apply consistently in their domestic life. Foreign peoples with similar backgrounds had their reservations about the alleged superiority of the American way of life; those whose historical and cultural conditioning had been widely different were not always quick to grasp the basic ideas of personal equality, tolerance, respect for varieties of opinion, and regard for individual dignity, especially when so many aspects of the American scene lent themselves to distortion and misrepresentation by hostile propaganda. Nor could the United States always apply democratic criteria too rigorously in its foreign policy. In a world where the frontiers of military security and those of political democracy seldom coincided, it was often compelled to stretch a point in the selection of its friends. Support of "reactionary" regimes, from Greece to China, was one of the main charges flung at the Truman administration by many who sympathized with American objectives. Equally anomalous from this point of view was the solicitude with which the United States was beginning to regard the anti-Soviet but still unrepentantly totalitarian government of Yugoslavia.

More tangible difficulties for the democratic cause sprang from the attitude of the U.S.S.R. and its satellites, which dismissed the Western brand of democracy as mere fascism and reaction, while professing a "popular democracy" of their own which to Westerners was only a kind of sugar-coating for the totalitarian police state. Not content with extending its own system to the limit by methods which included trickery and the threat of force, the Kremlin made constantly increasing efforts to insulate the millions under its control from knowledge of the outside world and to protect them from contamination by foreign ideas. The U.S.S.R. and the governments of the Soviet bloc

conducted their own program of intellectual exchange within the Soviet family, and used all available means of spreading their propaganda beyond the Iron Curtain. With rare exceptions, however, they refused to countenance the admission of Western ideas and individuals to their domain. They created almost insuperable obstacles to the operation of the foreign press, and did their best to choke off the few channels by which Western influences might still penetrate. Keenly sensitive to the effects of Western radio broadcasts, the U.S.S.R. began in April 1949 to divert many of its own radio facilities to a large-scale jamming campaign which for some time completely blotted out the Voice of America and B.B.C. broadcasts to Soviet audiences. Although the U.S. Congress made a special appropriation of $11.5 million to equip the Voice with stronger transmission facilities,[12] this last means of ideological penetration of the Iron Curtain was largely neutralized throughout 1949.

The U.S. Government acknowledged a responsibility for acquainting the American as well as foreign peoples with the aims and problems of its foreign policy. It was axiomatic that the stability and effectiveness of American policy depended on informed public support. President Truman, in a speech at the Shriners' convention in Chicago on July 19, 1949, professed to have no misgivings on this score. "In this Nation," he said, "foreign policy is not made by the decisions of a few. It is the result of the democratic process, and represents the collective judgment of the people. . . . The major decisions in our foreign policy since the war have been made on the basis of an informed public opinion and overwhelming public support. . . . The formation of foreign policy on the part of the democratic nations may be a slow and painful process, but the results endure."

This confident analysis was not fully borne out by students of the relation between foreign policy and public opinion in the United States. Independent investigation disclosed a startling ignorance and apathy among the mass of Americans on even the most vital foreign policy questions, while deeply rooted prejudices and emotional attitudes distorted the perceptions

[12] Public Law 358, 81st Congress, approved October 14, 1949.

even of the informed. Coverage of foreign affairs by the American press, radio and other media was too spotty to offer an adequate corrective. If American horizons had broadened greatly within the last generation, there were still "dark areas of ignorance" that seriously threatened the consistent pursuit of an enlightened policy.[13]

The government was not inactive in acquainting the public with its objectives and policies, and made increasing efforts to give it a share in the process of policy formation. President Truman, during the months that followed his inauguration in January 1949, made a number of speeches on foreign policy—mainly limited to its European phases—which were models of clear, forthright exposition. Officials of the State Department addressed innumerable gatherings on every phase of foreign policy and departmental business. The Department carried on an extensive publication program, releasing quantities of material which, though limited to its own activities and invariably tailored in accordance with the official view, provided a reasonable basis for judgment to those who could read between the lines. In addition to regular press conferences, off-the-record meetings were arranged for the benefit of private organizations with representatives in Washington or at the U.N. delegation headquarters in New York, providing opportunities for a close-up view of foreign policy problems and the men responsible for dealing with them.

From time to time the Department convened special conferences of private authorities and organizational representatives to advise with it on specific foreign policy problems. In one important sector this procedure was regularized through the work of the National Commission for UNESCO (United Nations Educational, Scientific and Cultural Organization), a body of private citizens established by law to advise the Department of State on UNESCO matters and to implement the UNESCO program in the United States. The operations of the National

[13] Cf. especially the chapter by Martin Kriesberg in Lester Markel and others, *Public Opinion and Foreign Policy* (New York, Harper and Brothers, for the Council on Foreign Relations, 1949), 49-64.

Commission, in the words of its retiring chairman, President Milton Eisenhower of Kansas State College, were "remarkable for their fusion of private initiative and governmental effectiveness" [14] and might point the way to new and fruitful developments in the evolution of a democratic foreign policy.

These activities, constructive as far as they went, affected mainly persons whose interest in foreign affairs was already well developed. The problem of bringing the American people as a whole to active, informed participation in their foreign affairs was not one to be solved in one year, or in ten. On some vital and highly controversial issues, notably the vexed questions arising out of the civil war in China, the public received virtually no assistance but was left to pick its own way through a cross fire of violently contradictory claims and counterclaims. Thus far, the American people had certainly acquiesced in the main outlines of postwar foreign policy; but acquiescence was not the same thing as affirmative support, and the future might present severer tests of President Truman's optimistic thesis. Meanwhile, administration efforts to win sanction for its foreign policies were of necessity directed in the first instance not to the public but to its elected representatives in Congress. Whether or not Congress accurately mirrored the public mind, many of its members had definite ideas on foreign policy which they formed independently and which often conflicted with those of the administration.

[14] Quoted in *New York Times*, September 12, 1949.

CHAPTER TWO

COLD WAR: 1949 EDITION

THE HEIGHTENED American consciousness of foreign affairs was largely attributable to the persistence, even beyond the defeat of the Axis, of direct and obvious threats to world peace and American security. No particular sophistication was needed to see in the postwar actions of the Soviet Government a menace to the principles which most Americans instinctively recognized as essential to any durable world order. Whatever tortuous reasoning lay behind Soviet policy and convinced the Soviet leaders of the propriety of their own course, the serious implications for the United States and the rest of the world were easily grasped. For Americans the "cold war" precipitated by Soviet tactics dramatized the whole realm of foreign relations and supplied the emotional stimulus they required to support a vigorous foreign policy. Americans could not, indeed, be said to have welcomed the conflict with the Soviet Union. At first even the convenient term "cold war" evoked a certain repugnance, as though its use implied something like approval of the state of affairs it so aptly described. But the ease with which Americans acknowledged the reality of the Soviet challenge contrasted sharply with their irresolution in the face of Nazi Germany a few years earlier. As a general rule, the most acceptable measures of postwar foreign policy were those most obviously concerned with checking Soviet-Communist expansionism.

A leading characteristic of the "cold war" was its way of asserting itself successively in different geographic areas along the periphery of the Soviet sphere. The U.S.S.R., when checked in its efforts to expand in the direction of Iran and the Middle East in 1946–1947, appeared to shift its main attention to Eu-

rope, which remained the central battleground of the East-West conflict right up to the conclusion of the North Atlantic pact in April 1949. The Far East, in the early postwar years, seemed to remain somewhat apart from this world struggle. Although such internal disorders as those in China and Indochina could be classified in terms of a struggle for or against Communism, the hand of Moscow was not conspicuously in evidence. The U.S.S.R. appeared primarily interested in satisfying certain limited aims in Manchuria and other parts of the former Japanese empire. It was inevitable, however, that the whole of this turbulent area, seething with revolutionary forces, should eventually be drawn fully into the contest among world powers. From early 1948, with the launching of a Communist offensive in the countries of Southeast Asia and the commencement of a series of striking victories for the Communist armies in China, developments in the Far Eastern theater became more closely linked with those in Europe. Increasingly the cold war took on the character of an integrated, "global" struggle in which developments on either side of the world bore a close and direct relationship to those on the other.

American thinking about foreign affairs had accepted the cold war concept as the inevitable result of Soviet tactics, but failed to keep pace with the "globalization" of great-power antagonisms. Communist gains in the Far East in 1948–1949, which unmistakably threatened the whole basis of American security in the Pacific, found the United States in a condition of mental unpreparedness that had some of the characteristics of schizophrenia. No ordered, integrated policy was available for what had obviously become an integrated, world-wide struggle. Different groups of Americans continued to focus their main attention on one of the two theaters at the expense of the other.

The administration, in committing the bulk of the available U.S. resources to check Soviet expansion in Europe, had vainly relied on Chiang Kai-shek's government to make the most of its advantages in China and hold off any cataclysm in the Far East. The virtual collapse of Chiang's regime found it

unprepared with any alternative means of safeguarding American interests in China and stemming the Communist tide before it engulfed other countries to the southward. Some Americans had, indeed, argued volubly for a "stronger" Far East policy, by which they meant more abundant aid to Chiang. Such critics of the administration policy, however, seemed to appreciate neither the inherent weaknesses of the Kuomintang dictatorship nor the full magnitude of European requirements. No one either in or out of office appeared able to suggest a formula for adequate resistance to Soviet-Communist expansion in both theaters simultaneously. Yet such a formula seemed indispensable if a major reverse for American world policy was to be avoided.

The year 1949 brought the whole issue of the cold war to a head, in Moscow, in blockaded Berlin, in Paris and London, in the plains and river valleys of central China, and in the State Department, the White House, and the halls of Congress. The American policy of unyielding firmness in Europe scored a major victory with the Kremlin's decision to lift the fruitless Berlin blockade and thus retreat from the dangerously advanced position it had been occupying for many months. But in the Far East, meanwhile, with the rout of the Chinese Nationalists and the reaffirmation by the Communist victors of complete solidarity with the U.S.S.R., American policy entered upon a succession of catastrophic setbacks.

1. *Modus Vivendi in Europe*

By the winter of 1948–1949, relations among the great powers had degenerated to a point where it was difficult to see any prospect of improvement. The attitudes of the Soviet Union and of the three Western governments, deadlocked for months on the Berlin issue, had hardened in a way that seemed to preclude the possibility of compromise. The U.S.S.R. continued its blockade of the former German capital, and the U.S. Air Force, with British and nominal French assistance, continued to supply Western Berlin's population. A committee of neutral

experts, appointed under the auspices of the Security Council to work out a plan for the administration of Berlin's currency —the issue that had provided the technical pretext for the Soviet blockade—found itself wholly unable to reconcile the divergent views of the occupation powers' representatives.[1] The same condition of deadlock had brought progress to a halt on a dozen other vital issues, including efforts to end the civil war in Greece, to negotiate an Austrian treaty, and to devise a system for the international control of atomic energy. To all appearances the cold war had become permanent. The best that could be hoped was that the shooting war which was already going on locally in such critical theaters as Greece and China would not extend itself to involve the great powers.

In such grim circumstances world opinion was almost pitifully eager to clutch at any suggestion of a change of heart on either side. The key to any real improvement in the situation was generally felt to lie in the Kremlin; but the exaggerated "peace offensive" by which Soviet propaganda had tried to counter the negotiation of the Atlantic pact was too like earlier efforts of the kind to carry much conviction unless it were reinforced by tangible evidence of Moscow's peaceful intentions.

A far more sensational development was in the making, however. On March 4, 1949, the Moscow radio announced that V. M. Molotov, Foreign Minister of the U.S.S.R. since before the Nazi-Soviet pact of 1939, had been relieved of his post and replaced by his deputy, A. Y. Vyshinsky. Molotov was to remain as deputy chairman of the Council of Ministers; but the circumstances of the transfer made it possible to hope that there would be a change in the policy of which he had been considered the most stubborn exponent. Vyshinsky, though no friend of the West, possessed a flexibility of mind that would qualify him to make an attempt at breaking the deadlock Molotov had done so much to produce.

Subsequent developments, including several other changes at high levels in the Soviet Government, had a dampening effect. The shakeup, it seemed likely, had been dictated mainly by

[1] *The United States in World Affairs, 1948–1949,* 463.

internal considerations. Vyshinsky, as a technician and a non-member of the Politburo, would probably be more directly responsive to the will of that body than a man of Molotov's personal stature. But there was no particular reason to look for a change in the policy itself. Molotov, to all outward appearances, continued to occupy with undimmed prestige the de facto post of second man in the Soviet hierarchy.

The behavior of the Soviet delegation to the U.N. General Assembly, whose spring session opened in New York on April 5, failed to substantiate any theory of a radical revision in Soviet policy. True, Soviet reaction to the signature of the North Atlantic Treaty was less violent than many had feared; the main denunciations of the pact, delivered by Deputy Foreign Minister Andrei Gromyko in the course of a debate on attempts to restrict the use of the veto in the Security Council, did not go beyond the well-worn arguments and epithets presented earlier in Soviet diplomatic notes. On the other hand, Soviet and satellite spokesmen on this and other issues before the Assembly —the disposition of the former Italian colonies, relations with Franco Spain, human rights in Bulgaria and Hungary, and so on—showed scant tendency to moderate the abuse they customarily heaped on the Western governments at U.N. meetings.

Nevertheless, a perceptible improvement in the international atmosphere did occur during the early spring of 1949. Indefinable indications of a lessened hostility on the part of Soviet representatives, in Germany and elsewhere, encouraged the impression that tension was declining and that the immediate danger of war had further diminished. The resultant current of optimism was not noticeably checked even by so hostile a move as the U.S.S.R.'s commencement of wholesale jamming of American and British broadcasts to Soviet listeners on April 24. That this hopeful spirit did not lack foundations was made clear in the last days of April when the TASS agency and the State Department issued announcements indicating that Soviet policy had, in fact, taken a definite turn on the critical Berlin issue.

It was actually on March 15, less than two weeks after the

Vyshinsky appointment, that a Soviet representative in the United Nations (responding to an earlier, informal American query) conveyed the first private intimation to an American fellow-delegate that his government was prepared to take a fresh look at the conditions for lifting the Berlin blockade. Further conversations between Philip C. Jessup of the United States and Yakov A. Malik of the U.S.S.R. produced the information that the Soviet Government no longer insisted on settlement of the currency question as a condition for raising the blockade, but was prepared to take this step on condition of (1) simultaneous lifting of the Allied counterblockade, and (2) a meeting of the Council of Foreign Ministers to review the entire German problem, including the currency issue. After some weeks of further negotiation the Soviet, U.S., British, and French governments, in the first definitely hopeful development for many months, announced a firm agreement to lift the blockade and counterblockade on May 12 and to hold a meeting of the Council of Foreign Ministers in Paris beginning May 23.[2]

An agreement by the four powers to resume negotiations on Germany sufficed by itself to make this meeting of the Assembly an infinitely more hopeful occasion than the earlier part of the session in the fall of 1948. The Assembly's own disagreements on Greece,[3] the Italian colonies, and other important matters did not seem too great a price to pay if the great powers could agree to neutralize this one outstanding danger spot. "This session," said Secretary-General Trygve Lie shortly before the Assembly adjourned on May 18, "opened last September at Paris in an atmosphere of crisis and of profound fear. When we adjourned temporarily in December, the sense of crisis had been eased, but fear and discouragement remained. Now, in May, at the end of the session, hopes for peace are brighter and faith in the United Nations is stronger than for a long time."

It was significant of the degree to which the Soviet problem had come to dominate all international relations that a limited

[2] *The United States in World Affairs, 1948–1949,* 494-495; *Department of State Bulletin,* XX, May 8, 1949, 590-592; May 15, 1949, 631.

[3] For the miscarriage of an informal Soviet proposal for ending the Greek civil war cf. below, p. 265.

change of front by the U.S.S.R. on a single international problem could produce so marked an alteration in the world atmosphere. What considerations had induced the Soviet Government to take this step, however, and how much it implied concretely in relation to Germany or to the over-all problem of East-West relations, were questions to which no answers were yet available. In shifting their ground on the most central and most dangerous of all the tangled issues that composed the East-West deadlock, the Soviets had taken what could become the first step toward a general settlement of outstanding differences. More cautious observers felt that the Russians might at least intend to establish a "truce" in Europe so that they could transfer their full attention to the Far East, where Communist fortunes were approaching high tide. Molotov, according to some reports, had been relieved of routine foreign office duties so that he could devote himself to working out a comprehensive plan to exploit Communist gains in that part of the world.

On the other hand, the New York agreement could signify merely that the Soviets were clearing the decks in preparation for a new phase in the campaign to extend their influence in Germany and Europe. The blockade had been doing them no good, and the Allied counterblockade of their zone in Germany was doing them appreciable harm. By bowing to reality now, they could escape from an embarrassing position, engage in another round of diplomatic bargaining on the German problem, and still retain the possibility of reimposing the blockade at some later time if it should seem expedient. Meanwhile a certain number of people in all countries who were anxious to take a favorable view of Soviet actions would experience fresh doubts about the reality of the "Russian danger."

Events in the months that followed disclosed no radical alterations in the Soviet world outlook and seemed to justify the conclusion that the Kremlin had been animated by limited aims connected primarily with the German situation. The possibility remained, however, that at least some individuals in the Politburo had favored a more drastic shift. To outsiders, it seemed that the succession of failures encountered by Soviet

policy in Europe in recent months would amply justify the Kremlin in reassessing its whole European program. The Marshall Plan, to which the Soviet Union had pledged implacable hostility, had ridden out successive waves of Communist obstruction and at least initially produced a striking measure of economic recovery. Concurrently, the strength of Communism in Western Europe had been on the decline. Since the failure of the Communist bid for power in Italy in April 1948, all the evidence had indicated that popular support of the Western European Communist parties was ebbing. In Eastern Europe, meanwhile, the dramatic defiance of Kremlin authority by Marshal Tito and the Communist Party of Yugoslavia threatened to nullify the vital principle of Soviet control of Communist movements outside the U.S.S.R. Elsewhere in the Soviet bloc recurrent purges, which now affected Communists accused of "Titoism" as well as anti-Communists, gave evidence of the discontent engendered by Soviet economic exploitation, depressed living standards, and totalitarian repression.

On the broader international plane the failures of Soviet policy were equally glaring. In blockading Berlin, Russia had risked the possibility of a war for which it was ill prepared in the hope of forcing the Western powers to abandon their policy of rebuilding Western Germany without Soviet participation—a policy which had resulted from Russia's own refusal to carry out the Potsdam agreement of 1945 to treat Germany as an economic unit. Instead of yielding, the Western powers had frustrated the blockade by their airlift, retaliated against the economy of the Soviet zone by their counterblockade, and perfected their plans for control of the Ruhr and the establishment of a separate West German government. Far from gaining tangible advantages in Germany, Soviet tactics had solidified the West as no other influence could have done. Soviet propaganda, which for weeks had been using all its resources to portray the U.S.S.R. as the guardian of peace, might denounce ad infinitum the formation of "aggressive military blocs" by the "fomenters of a new world war." Some of the Soviet leaders may have realized that their own policies were the direct

cause of these manifestations and that a modification of these policies might now be the only way of rendering them innocuous before Western opinion had irrevocably hardened behind them.

One can, of course, only guess at how the men in the Kremlin viewed these developments and in what way their conduct may have been influenced by ideological preconceptions, by internal disagreements, or by domestic considerations relating to the progress of the Fourth Five-year Plan, the morale of the Soviet population, or the possibility of complications following the death of the 69-year-old Marshal Stalin. Indications that some kind of struggle was proceeding in the upper levels of the Bolshevik party had been percolating to the outside world for many months, and most observers made the natural assumption that foreign affairs must be at least one element in any cleavage within the top Soviet leadership. "My own impression," writes General Walter Bedell Smith, then U.S. Ambassador in Moscow, "is that there really was a decided difference of opinion in the Politburo concerning relations with the West." [4] But neither Ambassador Smith nor any other Western observer was in a position to specify the nature of the difference or to pin down the attitudes of particular individuals with reference to it.

The real touchstone of Soviet intentions, it was assumed, would be the behavior of Vyshinsky at the forthcoming Paris meeting, convened on Soviet initiative. Contrary to expectations, however, this session of the Council of Foreign Ministers produced no clear-cut indication of what the U.S.S.R. was driving at. If Soviet policy was a mystery when Dean Acheson, Ernest Bevin, and Robert Schuman sat down with their Soviet colleague on May 23, it was scarcely less so when the conference adjourned four weeks later. Detailed consideration of the substantive issues dealt with at Paris, in particular the central problem of Germany, must be reserved for a later chapter; [5] the immediate concern is rather with the broad political aspect of the conference as a landmark in the history of the East-West struggle.

[4] Walter Bedell Smith, *My Three Years in Moscow* (Philadelphia, J. B. Lippincott Co., 1950), 75.

[5] See below, pp. 176-177.

To Western observers it seemed that the renewal of four-power contacts gave the U.S.S.R. the opportunity to aim at two principal objectives. First, by following up the termination of the blockade with further evidence of a conciliatory disposition, it could set back the growing consolidation of the Western world, recently crowned by the signature of the Atlantic pact, and take advantage of possible divergent tendencies among the Western governments on other issues. Second, it could transfer to a more favorable arena its long-standing campaign against Western policies in Germany, which were about to culminate in the formation of a separate West German regime in fulfillment of agreements reached by the Western governments in June 1948. In order to undermine German support for this expedient, it would be logical for the Soviets to intensify their appeals to German national sentiment and renew their proposals for the restoration of German unity, the conclusion of an early peace treaty, and the withdrawal of the foreign troops which had been in occupation of the country for the last four years. This seemed to be the tendency of Soviet and Communist manipulations in Eastern Germany and was certainly the expectation of Acheson, Bevin, and Schuman, who devoted a series of private meetings in Paris to preparing themselves against this line of attack.

Nevertheless, when the conference met Vyshinsky failed to make an all-out drive for either of these objectives. He was neither sufficiently conciliatory to disarm Western opinion, nor sufficiently pro-German to bolster significantly Russia's low standing among the German people. The uninspiring nature of his performance suggested that the situation in the Kremlin was still unclarified and that he was unwilling to take responsibility for pursuing a forthright and consistent line. His complete dependence on orders from Moscow was evidenced to the whole world two hours after the last session of the conference, when, obviously in response to belated instructions, he vainly appealed for a further meeting to amend a relatively minor provision in the four-power communiqué he had already approved.

That the Western representatives also had no clear-cut plan

for a fresh deal in Germany was less surprising. They had already adjusted themselves to the idea of a separate West German state which would gradually be integrated into the Western European family, and were determined not to be deflected from this aim on any terms the Russians were likely to put forward. Vyshinsky's proposals, however—restoration of the dissolved four-power control organs, establishment of an all-German economic council, and four-power control of the Ruhr—proved to be so ultra-cautious that Acheson, as the principal Western spokesman, could plausibly claim that the U.S.S.R. was merely asking the other three governments to undo the substantial progress already achieved in Western Germany. The Western counterproposals, calling for the restoration of German unity by including the states of the Eastern zone in the projected West German republic, were just as unlikely to be acceptable to the U.S.S.R.; but, by forcing Vyshinsky to declare himself against them, they at least brought out the fact that the fundamental Soviet approach to the German problem had not materially altered. Under the circumstances, Vyshinsky's later proposal that the four powers prepare draft peace treaties envisaging the withdrawal of occupation troops within a year—a condition that the Western representatives rejected out of hand—seemed more like a *pro forma* gesture than a serious bid for German applause.

Unable to agree either on these broad issues or on a solution of Berlin's administrative and currency problems, the four ministers concentrated on reaching a limited "modus vivendi" which would at least preclude the recurrence of a full-scale crisis over Berlin and keep alive the contacts that had been resumed with such difficulty. Even while the conference was in session, new difficulties had cropped up in connection with the Berlin transportation system which emphasized to the Western governments the necessity of spelling out their right of access to the city as unequivocally as possible. The final communiqué, however, failed to include any formal guarantees of this nature. The four governments merely confirmed in general terms the New York agreement on suspension of the blockade and

counterblockade, and advised the occupation authorities in Germany (1) to take necessary measures for the normal operation of transport and communications facilities, and (2) to initiate quadripartite consultations with a view to mitigating the effects of the division of Germany and Berlin. Finally, the four ministers agreed to exchange views during the autumn session of the General Assembly on the date and other arrangements for a further meeting on the German question.[6]

Much more positive results were achieved on an additional item of the ministers' agenda, the question of a treaty for Austria. This issue, under negotiation by the ministers and their deputies since January 1947, had been interminably dragged out by disagreements over the extensive Soviet claims to "German assets" in the Austrian economy and the claims of Yugoslavia, thus far supported by the U.S.S.R., to a slice of Austrian Carinthia and the sum of $150 million in reparations. As recently as March 1949, nine months after the rift with Tito, the Soviet Union had still been upholding a somewhat moderated version of the Yugoslav demands. At Paris, however, the Russians apparently felt that the need of some agreement with the West outweighed the doubtful advantages of further complaisance toward their unruly satellite. They agreed that Austria should lose no territory, and that in lieu of reparations Yugoslavia should content itself with the seizure of Austrian property, rights and interests within Yugoslav territory. Agreement was also reached on a redefinition of the U.S.S.R.'s own claims in Austria, and the ministers' deputies were instructed to try to draft an agreed text for the treaty as a whole by September 1. Prospects for Austria's return to a status of independence had not been so bright for a long time.[7]

One other feature of the Paris meeting deserves mention. At the opening session and again on the final day of the conference, Vyshinsky brought up the matter of a peace treaty with Japan, a question which, he asserted, should be taken up at a separate

[6] Final communiqué, June 20, in *Department of State Bulletin*, XXI, July 4, 1949, 857-858.

[7] Cf. below, pp. 222-230.

meeting of the Council of Foreign Ministers in which China would also participate. This view was stoutly contested by Acheson and his Western colleagues on jurisdictional grounds. The Council of Foreign Ministers, they maintained, had no authority to go into the Japanese question, which intimately concerned various other Pacific nations and should properly be taken up by the 11 governments already represented in the Far Eastern Commission in Washington. The arguments, on both sides, had been heard before; the chief significance of their repetition at this time lay in the changed situation in China, where the victorious Communists had meanwhile driven Chiang Kai-shek's administration from its capital at Nanking and were obviously preparing to claim recognition as the legitimate government of China. Vyshinsky's overture tended to confirm the supposition that the U.S.S.R. would expect to use a Chinese Communist government as an instrument of its world policy.

It was not easy to arrive at an over-all judgment of this strange conference, which had certainly lacked dramatic qualities and had made progress only on peripheral issues. Such concessions as had been made, however, were made principally by the Soviet Union and not by the West. Back in Washington Secretary Acheson, who refused to talk of the conference in terms of "success" or "failure," nevertheless voiced the opinion "that the position of the West has grown greatly in strength, and that the position of the Soviet Union in regard to the struggle for the soul of Europe has changed from the offensive to the defensive." Early ratification of the North Atlantic Treaty and passage of the related military assistance legislation would, he said, be the best means of pressing our advantage. John Foster Dulles, who served as an American adviser at Paris, likewise affirmed that Soviet policy was in retreat in Europe, and spoke of growing resistance to Soviet rule in the satellite countries and within the U.S.S.R. itself. The Russians, Dulles noted, had shown "far less disposition to be provocative" than at earlier conferences, and "there was obviously at this meeting a

desire on both sides to come to some agreement." Vyshinsky, as was to be expected, verbosely argued that in reality the consistent policy of the U.S.S.R. had frustrated the reprehensible tactics of the Western powers; but he too referred significantly to the value of "mutual" concessions, more of which, he said, would be necessary in the future.[8]

On one point all agreed: the conference had definitely confirmed the relaxation of tension and restored some kind of contact between governments which, a few weeks before, had seemed almost hopelessly alienated. This in itself was a major success. With the resumption of normal transportation to Berlin —an operation which, however, was not proceeding so smoothly as had been hoped—the most critical feature of the East-West relationship should be reduced to normal proportions. Vyshinsky's demeanor had been disappointing in that it gave no reason to believe in a genuine reversal of Soviet policy. On the other hand, the Western governments had preserved their united front and appeared determined not to relax or to sacrifice the advantage they had gained.

The continuing nature of the Soviet challenge, and the need for steadfastness in facing it over a long period, were the themes of several pronouncements by American leaders in the weeks that followed the conference. While awaiting congressional action on the North Atlantic Treaty and the military assistance program that was to follow it, civilian and military authorities alike stressed the opinion that the tide had turned in favor of the United States, but that this advantage could be maintained only by continued effort. General Bradley, speaking as Army Chief of Staff at Fort Leavenworth on July 1, summed up this view: "In the four years since V-J Day, I think the advantage has swung to our side and that the aggressor, who was once a friend, is now on the defensive. Rather than expect a long period of friendly cooperation, however, we must antici-

[8] Statements of Acheson (June 23) in *Department of State Bulletin,* XXI, July 4, 1949, 858-861; of Dulles (June 22) in *New York Times,* June 23, 1949, and *U.S. News and World Report,* XXVII, July 8, 1949, 30-33; of Vyshinsky (June 30) in *USSR Information Bulletin,* IX, July 15, 1949, 399-402.

pate a long period of tension, with alternating day-to-day improvements or setbacks, which must not be allowed to unstabilize the long-range plans for security." [9]

The events of the spring certainly did not lessen the necessity for vigilant attention to the national defense, independent of the momentary ups and downs of international politics. Just as certainly, however, military strength was not and would never be the whole answer. More immediately disquieting than the "Russian menace" were symptoms of an economic recession in the United States, which was already beginning to have repercussions abroad and, if unchecked, might easily undo Europe's recent progress toward economic and political recovery. The Communists in Western Europe, though politically isolated at the moment, were not yet ready to admit defeat. Their militant behavior might be partly bluff; but they were shrewd enough judges of the European scene to recognize the factors for instability that lay just beneath the surface and might again swing events in their favor. Meanwhile, in a global cold war they could play an effective diversionary role as auxiliaries of the main Communist effort in the Far East. There the relentless advance of the Chinese "People's Liberation Army" was raising problems whose staggering implications for the future of American interests in the Pacific could no longer be ignored.

2. Challenge in Asia

If the over-all trend in Europe seemed heartening to the democracies and unfavorable to Soviet encroachments, in Asia the situation was precisely opposite. For the Soviet bloc the victories of the Chinese Communists, as one prominent European Communist put it in December 1948, represented "one of the major factors frustrating and upsetting the plans of American imperialists" and a development "of exceptional importance for the relationship of forces between the two world

[9] Comparable warnings were uttered by President Truman on June 11 and 21, by Defense Secretary Johnson on June 21, by Secretary Acheson on June 23, and by General Smith, recently retired as Ambassador to the U.S.S.R., on July 4.

camps." [10] For the non-Soviet world there was much bitter truth behind the imagery which the delegate of Nationalist China employed nine months later in the U.N. General Assembly to describe the uneven results of the East-West struggle on the two sides of the globe: "Today, from Iran on the Persian Gulf, through Turkey, Greece, and Italy to France and the Scandinavian north, the dyke against the Communist flood has been built and is now in good strong condition. But we know from experience that floods cannot be contained by building a dyke on one side only. . . . Building the dyke on one bank of the river has forced the waters to overflow the lands on the other bank. The Marshall Plan and the North Atlantic Pact, while strengthening the forces of freedom in one part of the world, have really, though unintentionally, increased the dangers to the peoples living in the other part of the world." [11]

The dangerous situation that had developed in the Far East while American attention was focused on Europe was the product of two distinct but interrelated conditions, each of which by itself would have posed formidable problems for world statesmanship. At its root was the struggle of the awakened peoples of Asia for emancipation from the bondage they had endured during generations of colonial rule and feudal exploitation. Throughout the Far East, masses of Asians were on the march against the remnants of Western imperialism and the anachronistic symbols of native misrule. Superimposed upon this far-flung, infinitely diverse movement was the world-wide rivalry between the Soviet Union and the Western powers headed by the United States. In each Far Eastern country the interplay of these two factors assumed different forms and raised different problems. During 1948 and 1949, however, the rapid extension of Communist control in China appeared to favor the growth of Soviet influence and a corresponding weakening of the Western position in the area as a whole.

[10] Georgi Dimitrov, "Report to the Fifth Congress of the Bulgarian Workers Party (Communists)," *For a Lasting Peace, For a People's Democracy!, Organ of the Information Bureau of the Communist and Workers' Parties,* January 1, 1949.

[11] Speech of T. F. Tsiang, September 22, 1949. Cf. below, pp. 65 and 282.

World War II, which made the United States and the U.S.S.R. the two leading world powers, greatly extended the influence of each in the Pacific area and, in so doing, multiplied the areas of contact and possible friction between them. By a kind of rough, unplanned balance, each power acquired certain new areas of direct control and indirect rights and responsibilities in other areas. The United States undertook the occupation of Japan and its insular possessions, of Okinawa and the Ryukyus, and of Southern Korea, and established itself in the former Japanese-mandated Pacific islands through a trusteeship agreement with the United Nations. The U.S.S.R., largely as a result of agreements with the United States and Britain in the tense months that preceded the defeat of Japan, regained possession of Southern Sakhalin, annexed the Kurile Islands, and occupied Northern Korea; with American backing it also signed agreements with China which established its right to utilize a naval base at Port Arthur, gave it other far-reaching rights in Manchuria, and tacitly recognized its de facto protectorate over Outer Mongolia or the "Mongolian People's Republic."

China, though itself classified as one of the five great powers, constituted an area of secondary involvement for both of its Pacific allies: for the Russians because of long-standing interests in China's vast border areas, reciprocal rights and obligations under the "friendship and alliance" provisions of the new Sino-Soviet treaty, and ideological ties with the Chinese Communists; for the United States because of its intimate wartime collaboration with the Chinese National Government and its determination to assist that government in restoring internal peace, stability, and submission to its authority. China's vast area and desirable resources, its archaic social and political structure, the destitute condition of its peasantry, the fighting record and vigorous popular appeal of its native Communist movement, and the lack of any genuine reformist impetus within the corrupt Kuomintang dictatorship that formed its national government, all made for an unstable situation in which neither the U.S.S.R. nor the United States was likely to remain aloof.

Southward from China stretched the predominantly colonial

THE FAR EAST, 1949
Scale of miles
0 200 400 600 800 1000
U. S. S. R.
Sakhalin
Khabarovsk
Ulan Bator
MONGOLIAN PEOPLE'S REPUBLIC
MANCHURIA
SINKIANG
INNER MONGOLIA
Mukden
Vladivostok
Pyongyang
Peiping
Tientsin
Dairen
Port Arthur
Seoul
Tokyo
Tsingtao
TIBET
CHINA
Nanking
Chengtu
Hankow
Shanghai
Chungking
INDIA
Foochow
Taipei
Okinawa
Ryukyu Is.
Canton
Formosa
BURMA
Hanoi
Hong Kong
Hainan
Rangoon
Luzon
LAOS
THAILAND
Bangkok
INDO-CHINA
Manila
THE PHILIPPINES
CAMBODIA
VIETNAM
Mindanao
Brunei
Br N Borneo
MALAYA
Sarawak
Singapore
Sumatra
Borneo
UNITED STATES
Celebes
New Guinea
OF INDONESIA
Jakarta
Java
Timor

area in which neither the United States nor the U.S.S.R. had direct responsibilities but in which both were keenly interested for reasons of ideological principle and general policy. Burma, which became independent early in 1948, and Indochina and Indonesia, where powerful native movements had risen in revolt against their French and Dutch rulers, were the principal theater of the anti-colonial struggle in Southeast Asia. The United States, sympathetic to the aspirations of native peoples but anxious to maintain the strength of the metropolitan countries, desired a gradual, peaceful and harmonious transition to self-government or independence within a Western democratic framework. The U.S.S.R., with its anti-capitalist and anti-imperialist bias, saw the growing independence movement throughout colonial Asia as a promising field for propaganda and political manipulations directed at undermining the Western position.

The radical opposition between Soviet and Western aims was slower to assert itself in the Far East than in the Middle East and Europe. In the early postwar period the Soviet Union confined itself mainly to consolidating and exploiting its hold in Manchuria and Northern Korea, discreetly aiding the Chinese Communists in their struggle to preserve a separate, privileged position in the China of Chiang Kai-shek, and creating incidental embarrassment for the Western powers in other areas. Communism, outside China, did not represent a strong indigenous force and did not uniformly acknowledge dependence on Moscow. For the time being, the Russians appeared satisfied to encourage the turmoil in Southeast Asia and applaud the struggles of Indochinese and Indonesians to throw off the imperialist yoke, confident that time and chaos were working inexorably in favor of Soviet aims. It was only in 1948, with the successful launching of the Marshall Plan and the heightening of the East-West tension, that the Communists in this area turned to a direct offensive which seemed to be part of a coordinated plan embracing Communist forces in Burma, Malaya, and Indonesia.[12]

[12] *The United States in World Affairs, 1948–1949,* 322-328.

As relations among the major powers deteriorated and the hope of early stabilization in the Far East receded, the emphasis of American policies also underwent a gradual change. The punitive character of the occupation of Japan became increasingly attenuated; more stress was laid on rehabilitating the Japanese economy than on meeting the reparations claims of Japan's victims, and the idea began to take root in some American and Japanese quarters that Japan might be destined to serve as a bulwark against Soviet expansion in the Pacific. In Korea, profound differences between the American and Soviet occupation policies defeated the hope of establishing a single "democratic" government; rival administrations, each claiming sovereignty over the entire country, were established in the two zones, and the United States found itself supporting a highly conservative regime which, though recognized by the General Assembly of the United Nations as the legal government of Korea, controlled only half the country, was completely dependent on American support, and was more distinguished for virulent anti-Communism than for the attributes of liberal democracy.

In China, where the defeat of Japan had been followed by full-scale resumption of the decades-old struggle between Chiang Kai-shek's National Government and the powerful Chinese Communists, the United States had pursued two main aims which turned out to be incompatible: to assist the National Government in reestablishing authority over as much of China as possible, and at the same time to avert civil war by helping the two parties, Nationalists and Communists, to compose their differences. The second objective, as Acheson wrote in mid-1949 in a lugubrious review of this "extremely complicated and most unhappy period," [13] proved to be unrealizable because the Communists refused to subordinate themselves and the Nationalists overestimated their ability to subdue them by force of arms. After the failure of General Marshall's mediation efforts in 1946, the United States abandoned its attempts to bring the

[13] U.S. Department of State, *United States Relations with China with Special Reference to the Period 1944–1949* (Washington, 1949), iii.

two parties together but continued to extend military and economic aid to the Nationalists on a considerable scale. Between V-J Day and the summer of 1949, according to State Department calculations, United States grants and credits to Nationalist China totaled some $2 billion, in addition to large quantities of civilian and military supplies which were purchased by the Chinese at a fraction of their procurement cost.

Large though it was, American assistance failed to compensate for the inherent weaknesses of the Kuomintang regime. The Nationalist armies, incompetently led and riddled with defeatism, were allowed to shatter themselves against the disciplined, indoctrinated forces of the Communist "People's Liberation Army." In the course of 1948 the tide of war definitely turned. From their northern bases the Communists began an advance which by the spring of 1949 had brought them into the valley of the Yangtze and placed the heart of China within their grasp. Truce negotiations, in which the Communist representatives advanced impossible conditions for a political and military settlement, brought no result except to heighten the already grave dissensions within the Nationalist camp. Late in April 1949 the Communists crossed the Yangtze on a broad front; Nanking, the capital, was occupied, while the shaken Nationalist regime took refuge in Canton; Shanghai and Hankow were "liberated" in the course of May, and at the beginning of June Nationalist forces evacuated their last northern stronghold at Tsingtao.

A lull in military operations, caused by flooding of the Yellow and Yangtze rivers, brought only temporary respite to the forces still loyal to Chiang Kai-shek or to Acting President Li Tsung-jen, who had assumed control when the Generalissimo went into voluntary retirement at the beginning of 1949. In July, Communist forces resumed the offensive, pressing the Nationalist armies steadily southward and westward. By the end of September their advance columns stood less than 100 miles from the provisional capital at Canton. In the northwest, meanwhile, a series of Communist victories and large-scale Nationalist defections had opened the way for Communist con-

trol of the remote provinces of Suiyuan, Ningsia, and Sinkiang, adjoining Soviet-controlled Outer Mongolia.

Unable to stem the advance by land, the Nationalists, who still held the important offshore islands of Formosa and Hainan, employed their air force in nuisance raids over Communist-held cities, while their navy attempted to enforce a so-called "closure" of Communist-held ports. This quasi-blockade, which the U.S. and British governments refused to recognize as legal, undoubtedly hampered Communist efforts to cope with the economic chaos left behind by the retreating Nationalists; but any temporary advantage to the latter was offset by the ill-feeling engendered in Washington and London by their interference with American and British merchant vessels.

Observers seeking an explanation of the spectacular Communist successess might wonder whether they were due rather to any peculiar virtue in the military-political system built up by Mao Tse-tung or to the long-standing deficiencies of the Kuomintang dictatorship and the profound war weariness of the Chinese people. During the spring and summer of 1949 the Communists probably gained more territory through Nationalist desertions and defections than they did by military conquest. A dozen years of uninterrupted warfare had bred an almost universal yearning for peace, which was as evident in high Kuomintang circles as it was among the humble masses of the Chinese people. Only the Communists still felt they had a cause worth fighting for. One great city after another, evacuated by the ragged, ill-fed Nationalist troops, opened its gates to the weary but disciplined Communist armies with sentiments in which relief was uppermost. On the positive side, the Communist program of land redistribution, village "democracy," and liberation from foreign and domestic "reaction" had an undeniable appeal for a people whose centuries-old burdens the Kuomintang had failed to lighten appreciably. Whatever the long-run implications of the revolution that was in progress in China—and to many observers it seemed likely to strangle the last impulses toward political freedom and enforce complete subservience to a foreign dictatorship—the Communists

undoubtedly possessed something of vital importance which the Kuomintang had wholly lost: the ability to capture the popular imagination and inspire belief in a more tolerable future.

Even while the Nationalist rout continued, some of the characteristics of this new movement were coming into sharper focus as the Communist leaders began their preparations to establish a "popular" political regime and adjusted their propaganda to fit the conditions of victory. A series of authoritative pronouncements by Mao Tse-tung and other leaders reiterated two points which they had made years before but now reemphasized: the Chinese revolution would be a gradual process, inviting comparison in many respects with the transformation already under way in the "people's democracies" of Eastern Europe; and, most significantly for the Western powers, it would be carried out within the framework of the closest alliance with the Soviet Union. The remoteness that had marked Communist-Soviet relations during the war years was thus formally proclaimed at an end.

Particularly illuminating was an article written by Mao Tse-tung for the twenty-eighth anniversary of the Chinese Communist party on June 30, 1949. In language that recalled the dicta of Lenin and the early history of the Russian Bolshevik regime—and which had since become familiar through countless iterations in Eastern Europe—the party president explicitly declared that the goal of Communist efforts was "the establishment of a people's democracy, led by the working class and based on an alliance of workers and peasants." But, Mao stated frankly, the revolution in China would be a slow development and one beset with tremendous economic problems. For the time being it would require the active participation of all social classes, with the single exception of "reactionaries," native and foreign. As in Russia and later in Eastern Europe, socialized agriculture was an ultimate goal, but one which China could not attain without first developing a greatly broadened industrial base. In this enterprise the aid of China's "nationalist bourgeoisie" would be indispensable. "Our present policy,"

wrote Mao, obviously not without recollection of the period of the "New Economic Policy" in Russia, "is to restrict capitalism but not to destroy it."

This same article, by the man whom some had regarded as a possible "Chinese Tito," dispelled any possible doubt as to where the new China expected to stand in reference to the East-West conflict. Without the slightest equivocation, Mao affirmed that China's foreign policy would henceforth be based on "alliance with the U.S.S.R., with the countries of the new democracy in Europe, and alliance with the proletariat and masses of the people in all other countries." Experience, he said, had taught the Chinese people that they "must, with no exception, take either the side of imperialism or that of socialism. It is impossible to remain in between the two. There is no third way. . . . Neutrality is a camouflage and a third way a mirage." As for economic relations with "imperialist" powers, foreign trade would certainly be necessary, but not until the destruction of "Chinese and foreign reactionaries" made it possible to establish relations with foreign powers on the basis of "equality, mutual benefit, and mutual respect for territorial sovereignty." [14] Other Communist spokesmen reinforced the warning that Western economic interests must not expect considerate treatment unless they were prepared to accord the new China the respect due a great and successful revolutionary power.

A lengthening series of unpleasant incidents involving Western interests in China showed that these were no idle threats. In April British naval vessels on evacuation and rescue missions in the Yangtze were gratuitously fired upon, with heavy loss of life. American nationals, including diplomatic and consular personnel, were subjected to numerous restrictions and indignities. With diplomatic restraint, the U.S. Embassy in Canton announced on July 25 that "the Chinese Communist authorities have thus far, in areas under their control, demonstrated in many cases an inability or unwillingness to afford adequate protection to foreigners or to safeguard their individual liberties,

[14] *Pravda,* July 6, 1949 (*Current Digest of the Soviet Press,* I, No. 28, August 9, 1949, 3-8.)

particularly in connection with arrest, detention, trial and mob action." [15] By September, steady Communist pressure on American consular posts had led to a drastic reduction in consular services throughout the Communist-controlled area. Especially grievous was the situation of the American consular staff in Mukden, Manchuria, who had been held as virtual prisoners since November 1948 and were prevented from leaving even after the Consulate General was formally closed in May 1949.

It was possible to view these incidents optimistically as results of the first ebullience of victory, which would shortly give place to more temperate conduct. In the same way, factors could be found in the Chinese situation which cast doubt on the Communists' ability to carry through with their announced revolutionary, anti-Western program. The civil war was not yet over, and already there were reports of anti-Communist resistance behind the battle lines, by isolated units of the Nationalist armies and by peasants revolting against the heavy exactions of the new Communist taxgatherers. Some observers detected differences of view within the top Communist leadership and predicted the emergence of a moderate wing which would act as a brake on Mao's headlong Stalinist policy. Over the long run, the prediction that China would be the toughest morsel yet seized upon by international Communism apparently retained full validity.

Time, however, was at present working for the Communists, as each passing week reduced the Nationalist ability to put up any kind of effective resistance. An anti-Communist revulsion might be inevitable, but the chances were that the Communists would have won the war and consolidated their grip before a revulsion had time to set in. And even more disquieting than the prospective submergence of China was the easily imaginable effect on the restless millions in other countries of the Far East. What was to prevent the Chinese Communists from joining hands with the revolutionaries in Indochina, Burma, and Malaya and carrying the "struggle for national liberation" to a triumphant Stalinist conclusion in all three countries? Aided by

XXI, August 8, 1949, 197.

the large Chinese colonies in Southeast Asia, backed by the most powerful army modern China had ever known, who could tell where this seemingly irresistible movement might end?

In the United States the crumbling of Nationalist rule in China had been watched with grave misgivings by all and with peculiar bitterness by those who, since V-J Day or before, had clamored for greater American assistance to Chiang Kai-shek and condemned the priority given to Europe in the global policy of the United States. The imminent collapse of Chiang's regime, attended by unmistakable dangers for America's whole position in the Far East, brought these accumulated discontents to a head and set the stage for one of Washington's bitterest foreign policy battles. Through the spring and summer of 1949 the Chinese war was refought in the United States as intensely —and, in its own way, as conclusively, since it resulted in the final disappearance of Nationalist hopes for further American assistance—as the real war beyond the Pacific.

In Washington, recriminations about responsibility for the Nationalist debacle mingled inextricably with arguments about possible remedial measures—specifically, whether or not to give further aid to the harried Nationalists, and, as this course came to seem less and less feasible, whether or not to underline the American people's unalterable hostility to Communism by refusing in advance to enter upon diplomatic or commercial relations with a Communist-controlled China. Leading protagonists of the pro-Nationalist, anti-Communist attitude were a bipartisan but mainly Republican group of members of Congress, generally conservative in outlook and long associated with advocacy of Chiang's cause. Prominent among them were Senators William F. Knowland, Republican, of California, Styles Bridges, Republican, of New Hampshire, and Pat McCarran, Democrat, of Nevada, and Representative Walter H. Judd, Republican, of Minnesota. Resistance to their appeals centered mainly in the Department of State, which in effect stood for the avoidance of precipitate action and for a policy often described as "waiting for the dust to settle."

The congressional group possessed the tactical and psycholog-

ical advantages that go with an aggressive program and freedom from official responsibility. Supported by the testimony of such well-known friends of the Chiang regime as General Claire L. Chennault, they publicized their views without restraint and attempted to put pressure on the administration and relieve their own embittered feelings by agitating for congressional investigations of the State Department, delaying the confirmation of an Assistant Secretary of State, and obstructing the passage of the military assistance program. The State Department, on the other hand, remained in actual control. Though it could not undo the effects of past miscalculations, it had no desire to make the situation worse by continuing on a wrong course. With the full support of President Truman, it successfully withstood the pressure for actions which, in the light of the information at its disposal, it considered ill-timed and dangerous.

Throughout the summer the State Department firmly adhered to the position that Secretary Acheson had outlined in March when he made known the Department's opposition to a bill, introduced by Senator McCarran and supported by 50 Senators, to extend $1.5 billion in economic and military aid to the Nationalists. There was no evidence, Acheson wrote at that time, "that the furnishing of additional military aid would alter the pattern of current developments in China." On the contrary, effective assistance "would require the use of an unpredictably large American armed force in actual combat, a course of action which would represent direct United States involvement in China's fratricidal warfare and would be contrary to our traditional policy toward China and the interests of this country." [16]

[16] *United States Relations With China,* cited, 1053; cf. *The United States in World Affairs, 1948–1949,* 285. China aid legislation enacted at the 1949 session of Congress was confined to (1) a provision in the Economic Cooperation Act Extension (Public Law 47, 81st Congress, approved April 19, 1949) authorizing the President to utilize an estimated $54 million in unobligated funds remaining from previous appropriations "for assistance in areas of China which he may deem to be not under Communist domination" through February 15, 1950; and (2) a provision in the Mutual Defense Assistance Act (Public Law 329, approved October 6, 1949) allocating $75 million for use in the "general area" of China.

The State Department's critics refused to accept this view. China, they insisted, was not yet lost, despite what they termed the irresponsible behavior of the Department over a period of years. The Nationalists still possessed substantial military force and controlled the larger part of China's vast territory. Determined aid on a scale commensurate with the stakes involved, combined with American direction of the Nationalist war effort, would enable them to recoup their position and reverse the Red tide which otherwise would inevitably engulf all Asia. This line of reasoning showed little consciousness of the underlying social and psychological factors in the situation, factors of which the responsible officers of the State Department were well aware. In the heat of argument, however, both parties tended to lay more emphasis on the role of foreign influence in China's revolution than they did on the fact that its roots lay deep in the condition of China's masses.

The State Department's final answer, in which it offered voluminous evidence to support its position and, by implication, finally washed its hands of the Nationalist regime, came on August 5 with the publication of a 1,054-page "White Paper" reviewing American-Chinese relations since 1844, with emphasis on the period since V-J Day. With a freedom unparalleled in the relations of friendly governments, the Department opened to public examination dozens of official reports detailing the record of Kuomintang graft, inefficiency, and folly which had driven successive American representatives to desperation and eventually to the abandonment of hope for Chiang's regime. Prominent among the documents was the long-suppressed report of General Albert C. Wedemeyer on his mission to China in 1947, in which he had recommended that Manchuria be placed under a five-power "guardianship" of China, the United States, the U.S.S.R., the United Kingdom, and France. From this mass of material, Secretary Acheson drew the expected conclusion in his prefatory statement: "The ominous result of the civil war in China was beyond the control of the government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could

have changed that result; nothing that was left undone by this country has contributed to it. It was the product of internal Chinese forces, forces which this country tried to influence but could not." [17]

As a rationalization of past American policies toward China the White Paper was doomed to enjoy but limited success. No amount of documentation could disguise the fact that between 1944 and 1949 American prestige and influence in China had dwindled close to the vanishing point. On the most charitable reading of the evidence—and charity was not the quality uppermost in the majority of the commentaries—the United States had backed a losing cause in China, alienated the sympathies of broad masses of the Chinese people, and yet failed to arrest the growth of a movement that combined genuine revolutionary appeal with fidelity to Moscow and virulent animosity toward this country. Critics might disagree as to whether we had given China's Nationalists too much help or too little, but all were bound to agree that the result of our efforts to date had been unredeemed and dangerous failure.

Whatever the shortcomings of the record, Acheson's preface made it abundantly clear that for the State Department the books were now closed. No outcries or charges of falsification —such as were speedily raised by the China aid group and as speedily refuted by the State Department—would now shake the administration's resolve to let the Chinese civil war take its inevitable course. "We must face the situation as it exists in fact," declared the Secretary of State, strongly implying that the major concern henceforth would be with the results and implications of the Communist victory rather than with attempts to forestall a victory already practically won.

Yet the White Paper and the accompanying statements by the Secretary of State and the President gave little indication of what the government proposed to do. For the moment Acheson was not prepared to go beyond a reiteration of such well-worn principles as friendship for China, support of the Open Door, respect for China's independence and administra-

[17] *United States Relations with China,* cited, xvi.

tive and territorial integrity, and support of United Nations efforts to maintain peace and security in the Far East. Later, he intimated, more concrete recommendations might be forthcoming, after the completion of a review of American policies in the Far East which the Department was undertaking with the assistance of Dr. Philip C. Jessup and two eminent consultants, Raymond B. Fosdick, formerly president of the Rockefeller Foundation, and Everett Case, president of Colgate University.[18]

Only a few clues to the direction of State Department thinking could meanwhile be gleaned from the White Paper and related utterances. It was obvious that the Department felt no particular respect for the Chinese Communists, whose leaders, according to Acheson, had "forsworn their Chinese heritage," "publicly announced their subservience to a foreign power," would "ruthlessly exploit" the Chinese people "in the interest of foreign imperialism," and were deeply committing themselves "on the basis of unproved assumptions as to the extent of their own strength and the nature of the reaction which they are bound to provoke in China and elsewhere." "We continue to believe," Acheson wrote, "that . . . ultimately the profound civilization and the democratic individualism of China will reassert themselves and she will throw off the foreign yoke. I consider that we should encourage all developments in China which now and in the future work toward this end."

This, however, did not imply any immediate attempt to weaken the Communist hold by encouraging Chinese resistance at a time when the situation was still more or less plastic. Similarly, though it was announced that the United States would consult with other interested powers on measures looking toward "continuing security and welfare" in the Far East, there was no thought of anything so far-reaching as an arrangement for collective defense against aggression in the Orient. The State Department was decidedly cool toward the suggestion advanced by the heads of various Far Eastern governments—and warmly seconded by Chiang Kai-shek—that the United States

[18] *Department of State Bulletin,* XXI, August 15, 1949, 236-237; September 5, 1949, 358.

join with other non-Communist nations in a collective security arrangement comparable to the North Atlantic pact. The commitments which this country had just assumed in Europe, and which still awaited Congressional sanction, were as much as American public opinion seemed likely to support at present; and there were grounds for doubting whether such young and inexperienced nations as the Philippine and Korean republics possessed the internal stability or the military potential to make desirable allies. In a public statement on May 18 Acheson had said plainly that the United States was "not currently considering participation in any further special collective defense arrangements," and cited approvingly a declaration by India's Prime Minister, Jawaharlal Nehru, to the effect that a Pacific defense pact would be premature until "present internal conflicts in Asia" were resolved.[19]

Though the United States refused to go to the rescue of the Chinese Nationalists or to be hastened into collective measures for the defense of other threatened areas, it still clung to certain elements of a strategic policy for the Far East. That policy, so far as could be discerned, was as yet neither very comprehensive nor particularly vigorous. It might, however, provide some basis for future elaboration as Americans recovered from the shock of recent events and began to make provision for the future. In this respect it resembled the policy, hastily improvised in 1947 to forestall a threat to Greece and Turkey, which ultimately broadened into a comprehensive European economic and military program.

American policy in the Far East in mid-1949 seemed already to be tending toward what Secretary Acheson later described as the creation of "areas of strength." It was a policy of bolstering certain areas around the perimeter of China—areas in which the United States already had assumed commitments, and which appeared to be militarily defensible in any contingency short of a war among the great powers. Japan, Korea, and the Philippines were the particular objects of American solicitude during the months of the Chinese debacle. United States forces

[19] *Ibid.*, XX, May 29, 1949, 696.

were already in occupation of Japan and the Ryukyus, including the important though neglected base of Okinawa. Official statements made it increasingly clear that they would remain there as long as the general situation in the Far East required their presence—although, as General Douglas MacArthur told the Japanese on May 2, the continuance of the occupation was "by no means due to any fault of yours . . . but rather to events and circumstances elsewhere."

Southern Korea was a peculiarly sensitive area in view of its flanking position on the sea approaches to Northern China and its exposure to harassing guerrilla attacks from the Soviet-controlled region north of the thirty-eighth parallel. Although American occupation troops were withdrawn early in 1949 in compliance with a U.N. recommendation, an American advisory group remained to assist in the training of Korean armed forces. The administration, furthermore, hastened to lay before Congress a request for large-scale economic aid; without it, Secretary Acheson assured a doubtful Congressional committee, the infant republic could not last more than two or three months.[20] In addition, a modest share of the proposed military assistance funds to be requested from Congress was earmarked for Korean use.

Another small slice of the prospective military aid appropriation was set aside for the three-year-old Philippine Republic. In August, Philippine president Elpidio Quirino, the leading advocate of an anti-Communist "Pacific union," was ceremoniously received in the United States, addressed the Senate, and met with President Truman to discuss "measures for the reinforcement and development of Philippine economy." [21] Similar ideas of cultivating the good will and fostering the advancement of friendly nations which were unlikely to succumb to the revolutionary onslaught undoubtedly played a role in the cordial reception accorded Prime Minister Nehru of India when he visited the United States in October.

[20] *Korean Aid: Hearings* on H.R. 5330, before the House Committee on Foreign Affairs, 81st Congress, 1st Session (Washington, 1949), 192; cf. below, pp. 87-88.
[21] *Department of State Bulletin,* XXI, August 22, 1949, 277. Far Eastern developments in the second half of 1949 are discussed more fully in chapter XIII, below.

Such gestures added up to very much less than a full-fledged policy for the Far East. Indecisive in themselves, they had a piecemeal quality that failed to satisfy the widespread craving for an "integrated" Far Eastern policy, but presented a set of seemingly unrelated targets for congressional attack. In the case of Japan, each move to strengthen the former conqueror of "Greater East Asia" was also likely to cause explosions of apprehension and resentment in other Pacific countries like Australia and the Philippines.

The most noticeable shortcoming of these moves, however, was their inapplicability to other Far Eastern countries—especially Burma, Malaya, Thailand, and Indochina—which would presumably be the first to feel the intensified Communist pressure. Except in Thailand, the legal authorities were already engaged in bitter combat with pro-Communist elements. The United States had no direct responsibility toward these countries, nor toward the new Republic of Indonesia; yet it could not remain indifferent to the fate of an area whose resources, population, and strategic position gave it first-rate importance for both East and West. No long-range American policy for this region could be worked out, however, without first coming to a decision on where the United States was going to stand in the continuing tug of war between local nationalist forces and the former ruling powers, Britain, France, and the Netherlands, who were now allied with this country in the Atlantic pact. Many factors that would have a bearing on such a policy—including the outcome of French political manipulations aimed at keeping Indochina within the French Union, the success of the Dutch-Indonesian peace talks that were going on at The Hague, and the nature of congressional reaction to the President's Point Four program—remained to be clarified. Meanwhile, the United States and its allies faced more urgent questions with regard to two critical points even closer to the China battlefront: Hong Kong and Formosa.

Hong Kong, as a British colony which all Chinese considered rightfully a part of China, might be one of the first points threatened if the victorious Communists should try to extend

their conquests beyond China's recognized national frontiers. But an attack on Hong Kong would clearly involve American as well as British interests, both as a violation of the U.N. Charter and as a simple matter of Anglo-American solidarity in world politics. Secretary Acheson told the press on August 12 that this delicate matter had been discussed with British officials, but that no firm commitment for U.S. assistance had yet been made. In case of any move violating the U.N. Charter and calling for action by the Security Council, he said, the United States would fully support its own obligations under the Charter—a phrase which might mean much or little, depending on future circumstances.

The large island of Formosa (Taiwan), wrested from China by Japan in 1895 and provisionally returned to Chinese control at the end of World War II, presented a problem of even greater complexity because of its uncertain legal status, the final determination of which awaited the conclusion of a Japanese peace treaty. Although Chiang Kai-shek's government appeared determined to cling to this position to the last, it was questionable whether the Nationalists could hold it by force of arms against a determined Communist onslaught. If the policy of the West was to be one of maximum resistance to Communist expansion, there were weighty military arguments for taking action to keep this position, midway between Okinawa and the Philippines, from falling into Communist hands; on the other hand, decisive steps to this end would have questionable political and legal implications and could easily lead to a head-on collision and full-scale involvement in the Chinese hostilities.

Linked with the Formosan problem was the whole question of procedure for drafting a Japanese peace treaty, made more urgent by Vyshinsky's overture at the Paris meeting of the Council of Foreign Ministers. Whether a treaty was drawn up by the Big Five, as urged by Vyshinsky, or by the larger group preferred by the West, China could certainly not be denied a voice and would certainly lay claim to Formosa. But could the West afford to transfer title to this strategic island to a Com-

munist China, in fulfillment of wartime promises to the head of China's then National Government? And this, in turn, raised the supreme question, already being debated in the United States with a vigor that seemed likely to turn a question of diplomatic technique into a political shibboleth: Once the Communists had established the political regime on which they were already putting the finishing touches, what authority was to be recognized as China's legitimate government?

These undoubtedly were among the Far Eastern problems which Secretary Acheson discussed with his British and French colleagues in Washington in mid-September, on the eve of the fourth session of the U.N. General Assembly. The uninformative communiqués on their discussions spoke of "similarity of opinion" regarding objectives and policies in the Far East but did not pretend that all divergencies had been erased or any common plan of action arrived at.[22] The British, it appeared, were already inclining toward recognition of whatever Communist regime might be established in China. Meanwhile, the time for temporization was fast running out. On September 21 a full-dress "Political Consultative Conference" opened in Peiping with the mission of adopting a new constitution and formally proclaiming the "People's Republic of China." One day later the delegate of China's Nationalist government arose in the General Assembly to deliver a formal indictment of Soviet policy toward China, brand the Chinese Communists as "a new and mighty contingent in the armies of the world revolution," and invite the delegates of the other 58 United Nations "to pay due attention to the storm that has reached my country and will soon reach other countries."

[22] *Department of State Bulletin,* XXI, September 26, 1949, 467; *New York Times,* September 18, 1949.

CHAPTER THREE

FOREIGN POLICY BEFORE CONGRESS

THE DISPUTE over Far Eastern policy in Washington illuminated a situation that was causing increased concern to many Americans both in and outside of the government. The fact that an important segment of congressional opinion could utterly reject the administration's views on a vital foreign policy question suggested that something must be seriously wrong with the way the American government was operating in respect to foreign affairs. The American friends of Chiang Kai-shek and those who held that the Nationalist regime was finished could not both be right. One group or the other, it seemed, must be either inadequately informed, self-deceived, or motivated by considerations unrelated to the national interest. Whichever explanation came nearest to the truth, the harmfulness of the result was beyond question. Unanimity was not to be looked for in a democracy, which necessarily operated by way of compromise and the reconciliation of minor divergences. This, however, was no ordinary disagreement which democracy could take in its stride. Too deep for compromise, it was potentially capable of undermining the effectiveness of American policy the world over.

Such legislative-executive disagreements on foreign policy were nothing new in American history, but their destructive possibilities had grown with the increasing role of the United States in world affairs. The responsibilities of American leadership and the contrary aims of Soviet world policy put a premium on the unity of the American nation in pursuit of its foreign policy objectives. These objectives could be attained only if the administration, Congress, and the public were broadly agreed on their nature and the means of achieving them. Under the

conditions of the modern world it was peculiarly essential that the United States should speak with one voice.

Yet the record of the postwar years showed that in reality the agreement among responsible Americans had been far from complete. Congress, irrespective of which party was in power, had shown a congenital reluctance to follow the administration's lead. Its control of the purse strings made its participation indispensable for most important acts of foreign policy; yet this participation very often took the form of delaying, limiting, weakening the force, and dulling the edge of the policies it was asked to sanction. Within the administration itself, moreover, there was nothing approaching unanimity on foreign policy matters. The loose structure of the executive branch left considerable latitude to each of the several departments and agencies concerned with foreign affairs, resulting at times in the quiet pursuit of mutually inconsistent policies and at times in open disagreements which sometimes dragged on for months without clear-cut settlement.

To a considerable extent these differences reflected only the natural and healthy diversity of opinion that arises whenever a number of minds are focused on a single problem. Improved administrative arrangements within the executive branch, and improved liaison between the executive and Congress, might bring real benefit from this multiplicity of viewpoints while curbing its negative effects. The work of the Hoover Commission on the Organization of the Executive Branch offered stimulating suggestions along these lines. Other features of the Washington situation might be more difficult to remedy, because they sprang not so much from defective organization as from an imperfect grasp of what the United States was really up against in the field of foreign policy. Isolationism might be dead, but there was still a widespread reluctance to face the requirements of U.S. policy in their full material, moral, and intellectual magnitude.

The events of 1949 demonstrated the continued force of this negative attitude, while leaving in suspense the question whether or not it was diminishing under the impact of experience. The

Senate's action in ratifying the North Atlantic Treaty by a large majority pointed to a realistic appreciation of the needs of the hour and a willingness to meet them without evasion. The program of military assistance to Western Europe, without which the pact would have lost much of its intended meaning, was enacted in substantially the form the situation seemed to require. The European Recovery Program was eventually extended for a second year without serious departure from its original principles. Yet the difficulty with which these achievements were brought about, the persistent attempts that were made to minimize their scope or alter their nature, suggested that the need for strength and consistency in foreign policy was by no means universally acknowledged.

Legislative inaction on other key foreign policy measures like the Point Four program could be explained by incidental factors such as the heavy work load of Congress; but it also reinforced the impression that Congress as a whole did not share the sense of urgency that animated the administration in foreign policy matters. Irrespective of the merits of specific foreign policy programs, their guiding purpose was the enlightened use of American power to build the kind of world in which Americans wanted to live. Many congressmen shared this aim; but it also fell to Congress to embody, in concentrated form, those tendencies that most seriously hampered its pursuit.

1. Legislative and Executive

The over-all organization of the U.S. Government for the conduct of foreign relations showed both the new intermingling of political, economic, and military factors in foreign policy and the lag between the growth of national responsibilities and the development of governmental machinery to deal with them. These were the facts that most deeply impressed the expert "task force" charged with surveying the foreign affairs area of the government on behalf of the Hoover Commission. Its report, which served as the basis of far-reaching recommendations submitted by the Commission in February 1949, provided an

outstanding analysis of the governmental problems resulting from America's new role in world affairs.[1]

The most striking truth brought out by the survey was one already widely appreciated but never before presented with such precise and authoritative detail and with so clear a grasp of its implications. This was the fact that increasing world responsibilities had brought with them a steady encroachment of foreign affairs on every phase of governmental activity and national life, including those traditionally regarded as wholly domestic in character. As one among many reflections of this trend, the report noted that budget estimates for international affairs and finance (including foreign economic assistance, but excluding national defense) amounted in the fiscal year 1948–1949 to the staggering sum of $7.2 billion, a figure equivalent to 18 percent of the entire national budget.

Over a 10-year period, the task force found, appropriations for the operation of the State Department had grown by some 1,200 percent, from $2.6 million in 1938 to over $33.7 million in 1948. Personnel employed by the Department meanwhile had increased, in part through the absorption of parts of various war agencies, from 963 to 5,652 at home and from 3,749 to 12,294 abroad. The State Department, moreover, accounted for only a part of the over-all expansion. Of the 59 major departments and agencies in the executive branch, at least 46 were found to be involved in foreign affairs to some extent, a few of them—like the National Military Establishment, the Economic Cooperation Administration, the Treasury, and the Department of Commerce—with responsibilities rivaling in importance those of the State Department itself. With the new emphasis on foreign policy programs involving the

[1] The task force report on foreign affairs, prepared under the supervision of Harvey H. Bundy and James Grafton Rogers with the advisory assistance of Henry L. Stimson, was published by the Commission on Organization of the Executive Branch of the Government as *The Organization of the Government for the Conduct of Foreign Affairs: A Report with Recommendations prepared for the Commission* (Washington, 1949). The Hoover Commission's own report and recommendations are contained in its *Foreign Affairs: A Report to the Congress by the Commission* (Washington, 1949).

appropriation of public funds, Congress likewise had entered the picture more prominently than ever before.

Within this vast governmental area of concern with foreign affairs the Hoover investigators found a distressing lack of coordination, direction, and agreement on objectives and policies. The President, who bore the ultimate constitutional responsibility for the determination of foreign policy and the conduct of foreign relations, carried a crushing work load and lacked the staff assistance essential to a proper discharge of his functions. His principal foreign policy adviser, the Secretary of State, was saddled with innumerable administrative responsibilities, negotiating problems, congressional appearances, and other routine obligations which constantly threatened to deprive him of the long view. Other agencies showed an increasing tendency to make policy on their own account without reference to the State Department; that department, in turn, did not always coordinate its own policies and interpretations with over-all national policy. The legislative branch, imperfectly informed by and congenitally mistrustful of the Executive, often acted as an impediment rather than a coequal partner in the conduct of foreign policy. In sum, the machinery that had been improvised to meet the growing demands of America's world position was demonstrably inadequate to the task. Though recognizing the obligations of its power, the nation had not yet organized itself to discharge them.

The Hoover Commission made a number of trenchant recommendations concerning both the internal organization of the State Department and the presidential offices and the delimitation of functions and responsibilities within the foreign affairs area generally. Its most radical proposal was that the State Department—aside from carrying out its traditional functions of representation, reporting, and negotiation—confine itself to policy formulation and leave to other agencies the job of administering specific operational programs such as foreign economic assistance and the government of occupied territories. This principle, which involved a rather elusive distinction between "policy" and "operations" and presupposed a high de-

gree of competence in foreign affairs outside the State Department, would be difficult to apply rigorously. The Commission itself recommended certain exceptions, specifically in regard to the Department's information and educational exchange programs, and further deviations occurred during 1949 as the State Department assumed primary responsibility for occupation policy in Germany and for administration of the foreign military assistance program.

Other recommendations were easier to implement. The fact that Dean Acheson had served as vice-chairman of the commission, before his appointment as Secretary of State early in 1949, ensured a serious effort to apply that part of its advice that related to the State Department. The top level of the Department was reorganized by act of Congress,[2] and a series of internal readjustments were undertaken which represented a longer step toward operating efficiency than any of the so-called reorganizations of the preceding few years. Late in the year a committee was selected to study the commission's major recommendation in the field of personnel, the amalgamation of the Foreign Service and the Department's Civil Service officials in a single foreign affairs service qualified to serve either at home or abroad.

To the extent that a sound foreign policy depended on sound administrative arrangements in the State Department, such measures were definitely constructive. Of themselves, of course, they could not provide a guarantee that the complex problems facing the Department would always be correctly appraised and expertly solved. And they did little to ensure effective action in that larger area of foreign policy where the State Department shared responsibility, under the President, with other executive departments and agencies. Here a variety of interdepartmental committees continued to serve as the main instruments of coordination, with the National Security Council and the National Advisory Council on International Monetary and Financial

[2] Public Law 73, 81st Congress, approved May 26, 1949. The United States representation in the United Nations was reorganized by Public Law 341, approved October 10, 1949.

Problems as supreme forums for high policy matters primarily involving military and economic considerations respectively. Coordination at this level still left much to be desired.

The role of Congress in the conduct of foreign policy engaged the attention of the Hoover investigators in a special degree. The task force was struck by the mistrust and thinly disguised hostility that featured the day-to-day relations between congressional bodies and administration spokesmen. Chronic tension between the two branches, it found, had produced "serious, and in some cases disastrous, effects upon the maintenance of the continuous operation of sound foreign policies, with the ever present danger of withdrawal of vital congressional approval and financial support." [3]

One obvious cause of tension was the opposition of rival political parties, a factor which had been especially marked during the life of the Republican-controlled Eightieth Congress in 1947–1948. The effects of partisan rivalry were mitigated, but not eliminated, by the informal working arrangement known as the bipartisan foreign policy, which had sprung up during the war and was summarized in the formula that "politics should stop at the water's edge." In reality bipartisanship reflected a lack of vital differences on foreign policy between the two major parties. Their substantial community of outlook on the chief foreign policy questions of the early postwar period had enabled such prominent Republicans as Senator Arthur H. Vandenberg and John Foster Dulles to serve as American delegates at various international conferences, a relationship that had been of great assistance in mobilizing congressional support for the Marshall Plan and other administration programs. The fact that the bipartisan principle had never been applied in Far Eastern policy helped to explain the sharpness of Republican attacks in that sector now that the Far Eastern issue had become critical.

But when all allowance was made for the influence of party politics, it was apparent that they were only a part of the reason for the difficulties of Congress in dealing with foreign policy.

[3] *Op. cit.*, 5.

Interest in and understanding of foreign relations were very unevenly distributed among the membership of the two houses. The average member of Congress, overwhelmed with legislative and other business, had neither time nor means for serious independent study of foreign affairs. On the whole, there was justice in the complaint that he did not receive adequate guidance from the State Department or the White House concerning conditions abroad and the administration's plans for meeting them. Lack of information and understanding, however, seldom prevented congressmen from forming definite views on foreign affairs and asserting them with vigor. At times this seemed particularly true of a limited number of individuals whose undisguised parochialism, xenophobia, and vindictiveness obstructed business and attracted international notice in a degree disproportionate to their numbers or real influence.

These, briefly stated, were among the reasons why legislative-executive relations during the long and eventful first session of the Eighty-First Congress, which convened on January 3, 1949 with Democratic majorities in both houses, were not noticeably better than they had been during the life of its Republican-controlled predecessor. Although the North Atlantic Treaty was ratified by a large majority of the Senate and the legislative measures the administration considered most essential were eventually enacted in recognizable form, this was accomplished only after long delays, much bickering, and the mobilization by the White House of every means of pressure at its command.

A number of special factors, apart from honest uncertainty over the implications of some of the proposed measures, helped to produce this record. The President's domestic program, calling for far-reaching changes in the fields of social security, labor, and civil rights, consumed much time and generated profound hostility—embodied mainly in a coalition of Republicans and Southern Democrats—which tended to extend into the foreign affairs field. Congressional irritation over the Chinese debacle made itself felt even in the consideration of foreign policy measures which had nothing to do with China. The economy bloc, disturbed at the large outlays requested for

various foreign policy programs, gained more and more supporters as the prospect of a substantial budgetary deficit became more certain. In consideration of the second-year appropriation for the European Recovery Program these pecuniary anxieties were reinforced by mounting evidence—culminating in the devaluation of the pound sterling on September 18—that ERP was not meeting its original goals.[4]

As usual, the work of the session on foreign affairs could be summed up in the attitudes and actions of a relatively few individuals, especially in the Senate.[5] On the Democratic side, the administration placed main reliance on the efforts of Senator Tom Connally of Texas, chairman of the Foreign Relations Committee, who provided most of the motive force behind the North Atlantic Treaty and the military assistance program. Among the Republicans, Senator Vandenberg of Michigan, seconded by John Foster Dulles after his appointment in July as Senator from New York, continued to subordinate party considerations to a broad conception of the national interest which involved constructive support of much of the administration program. Robert A. Taft of Ohio, titular leader of the Senate Republicans, differed with Vandenberg in advocating sharp reduction of the European Recovery Program and engaged in lengthy public soul-searching in connection with the Atlantic pact and military aid, both of which he ultimately opposed. Certain other Senators, to be named hereafter, won new distinction as leading advocates, or opponents, of programs in which they had a standing interest. Almost as conspicuous as the congressional leaders in the transactions of the session were such administration spokesmen as Dean Acheson, ECA Administrator Paul G. Hoffman, Ambassador W. Averell Harriman, Defense Secretary Johnson, General Bradley, and Secretary of the Treasury John W. Snyder, all of whom journeyed to Capitol Hill many times to explain administration programs and

[4] See below, pp 120-129.

[5] Limitations of space in most instances preclude reference to the role of individual members of the House of Representatives, whose Foreign Affairs Committee was headed successively by the late Sol Bloom of New York and John Kee of West Virginia.

face the not always friendly questioning of congressional committees.

Difficulties and delays in foreign policy legislation were compounded as the session advanced. The President, in a succession of notable public speeches—at Little Rock on June 11, at Chicago on July 19, and at Miami on August 22—tried unavailingly to impress the nation with the need for swift action and the folly of "settling for halfway measures" as many members of Congress seemed inclined to do. After the Senate ratified the North Atlantic Treaty in July, no other major foreign policy measure was enacted for over two months. During August and September the House, after completing action—not always maturely weighed—on the reciprocal trade agreements program, the European recovery appropriation, military assistance, and the various departmental appropriations, marked time in a series of three-day recesses while the Senate, weeks after the beginning of the new fiscal year, struggled to catch up. Great discrepancies between House and Senate versions of the same bills had then to be reconciled, a process rendered more difficult by mutual hostility between the two houses.

As the summer drew on and pressure for adjournment increased, international events tended to produce an atmosphere of crisis such as had often spurred congressional action in the past. The log jam finally gave way during the second half of September, amid the excitement produced by the Washington financial conference, the British devaluation, and President Truman's announcement of an atomic explosion in the U.S.S.R. The Senate passed the Trade Agreements Act; compromises were worked out on the European recovery appropriation and military aid; and other measures such as the ITO Charter and Point Four were left to the next session starting in January 1950.

2. Atlantic Pact and Military Aid

The North Atlantic Treaty was not only the major item of the session but the most important and challenging document presented for Senate consideration since that body had ratified

the United Nations Charter in 1945. Like the Charter, the treaty had been negotiated with the advice and assistance of leading members of the Senate, and the major issues had been widely discussed in the United States before signatures were formally affixed on behalf of the 12 governments on April 4. In its formal report on the treaty the Senate Foreign Relations Committee commended this procedure "as an example of how important matters in the field of foreign relations should be handled." The committee's own careful and conscientious study of the treaty, and the balanced and statesmanlike document in which it unanimously recommended ratification on June 6, were not undeserving of similar recognition. After 16 days of public hearings and a number of executive sessions, the eight Democrats and five Republicans on the committee reached the unanimous conclusion that the treaty "should greatly increase the prospect that another war can be averted"; that it was wholly consistent with the U.N. Charter, the American Constitution, the national interests of the United States, and the terms of the Vandenberg Resolution of June 11, 1948; that it would promote the strength and solidarity of all the signatory nations; that failure to ratify would have "disastrous" effects abroad; and, consequently, that "it would be in the best interests of the United States and indeed, the entire world, to sustain and encourage the momentum of confidence that has been building up in Europe, by ratifying the treaty at an early date." [6]

Debate in the Senate ranged over every aspect of the treaty, political and constitutional, but focused particularly on the question how far its provisions might limit the freedom of action of the Congress in future emergencies. Many Senators evinced dissatisfaction with the so-called operative clause, providing that an attack on one or more of the parties in Europe or North America "shall be considered an attack against them all," and obligating each of the parties to take "such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area." Such an

[6] *North Atlantic Treaty,* Senate Executive Report No. 8 on Executive L, 81st Congress, 1st Session, June 6, 1949 (Washington, 1949), 6, 27.

obligation, they feared, would infringe the exclusive constitutional prerogative of Congress to declare war, despite the assurance of the Foreign Relations Committee that nothing in the treaty altered the constitutional powers of either the President or Congress. A similar difficulty concerned the relation between the treaty and the proposed military assistance program. Article 3 of the treaty pledged the parties, "by means of continuous and effective self-help and mutual aid," to "maintain and develop their individual and collective capacity to resist armed attack"; but various Senators wanted to be assured that acceptance of this language did not commit them to indiscriminate support of any military assistance program the administration might bring forward.

In most instances such misgivings could be allayed by reference to the text of the treaty, which had been carefully drawn up with Senatorial attitudes in mind. At bottom, however, the issue was not between alternative readings of the treaty text but between formal logic and political realism. The language of the treaty justified its sponsors in claiming that it left Congress free of any commitment to take specific action. Nevertheless, as these same sponsors readily acknowledged, the whole situation that had brought the pact into being pointed to one inescapable conclusion which no verbal technicalities could invalidate: namely, that the conditions of the modern world had irrevocably narrowed the limits within which Congress and the nation could exercise the freedom of action to which they had been accustomed in the past.

From the submission of the treaty to the Senate on April 12 until its ratification on July 21, the administration used every opportunity to impress the upper house with the desirability of prompt and favorable action. Secretary Acheson directed a special appeal to the Senate from the Foreign Ministers' conference in Paris, and returned to tell the Foreign Relations Committee on June 22 that the continued divergence on basic issues between the Soviet Union and the Western powers reemphasized "the utmost importance of ratification of the North Atlantic Pact and passage of the military assistance program at this

session of Congress." The President alluded to the matter in plain terms in his Little Rock and Chicago speeches. As debate proceeded, both Acheson and the President used their press conferences to dispel misunderstandings and urge speedy ratification.

The final days of debate were marked by impressive pronouncements in favor of the treaty by two elder statesmen, Henry L. Stimson and General George C. Marshall.[7] Stimson's warning that the great meaning of the treaty must not be "befogged by reservations seeming to proceed from fear" may have been instrumental in the defeat of a series of formulas put up by Republican irreconcilables—Taft of Ohio, Wherry of Nebraska, Flanders of Vermont, and Watkins of Utah—in the hope of minimizing the treaty's scope and impact. By decisive majorities the Senate rejected crippling reservations which would have explicitly denied any American obligation to furnish arms to any signatory of the treaty; any obligation to use armed force under the treaty; or any obligation on the part of Congress to declare war or use armed force in case of an attack on one of the signatories. A resolution introduced by Senators Taft and Flanders to scrap the entire treaty in favor of a presidential declaration extending the Monroe Doctrine to Western Europe was not pressed to a vote, and the treaty was ratified without reservation on July 21 by a majority of 82 to 13.

Many members of Congress, including supporters of the Atlantic pact, remained dissatisfied with an instrument which, when all was said and done, retained so many of the characteristics of an "old-fashioned military alliance." This dissatisfaction was partially reflected in the support given by congressmen of both parties and of highly diverse outlooks to proposals looking toward U.S. participation in a larger international federation. Various resolutions along these lines were introduced during the session. The so-called Atlantic Union resolutions requested the President to call a convention of the North Atlantic Treaty countries to explore the formation of a "free federal union" among them; another formula, sponsored by the

[7] *New York Times,* July 20 and 21, 1949.

United World Federalists organization, declared it to be the objective of U.S. foreign policy "to strengthen the United Nations and to seek its development into a world federation open to all nations." The House Foreign Affairs Committee held preliminary hearings on the former proposal in October, with the prospect that Congress would devote more attention to both items in its 1950 session.

On July 25, the day he signed the instrument of ratification of the North Atlantic Treaty, President Truman sent to Congress the long-awaited message requesting legislation to authorize "military aid to free nations" as an essential phase of American efforts to create a firm international order. The program he outlined would involve the expenditure of some $1,450 million in the fiscal year 1949–1950, the bulk of it to be devoted to meeting the urgent needs of Western European signatories of the North Atlantic Treaty. "Our objective," the President wrote, "is to see to it that these nations are equipped, in the shortest possible time, with compact and efficiently trained forces capable of maintaining internal order and resisting the initial phases of external aggression." In the interests of administrative efficiency and flexibility, the President proposed to consolidate with the Western European program the existing programs of military aid to Greece and Turkey, Iran, Korea, the Philippines, and Western Hemisphere countries.[8]

The necessity for American military assistance to Western Europe, in accordance with the "self-help and mutual aid" provision of the treaty, was the direct result of the basic disparity between the Soviet and Western European military forces which had produced the treaty itself. All the European parties to the treaty except Iceland and Portugal had formally advised the United States of their need for military aid immediately after the pact was signed,[9] and only considerations of parliamentary propriety had prevented the administration from submitting a military aid plan to the House while the Senate was still debating the treaty. The program worked out by the ad-

[8] House Document No. 276, 81st Congress, 1st Session, July 25, 1949.
[9] *Department of State Bulletin,* XX, April 17, 1949, 493-498.

ministration envisaged three types of assistance, designed to supplement the recipients' own defense efforts and create a margin of security in Western Europe without slowing the pace of economic recovery: (1) dollar aid to increase direct military production in Europe, (2) direct transfer of essential American equipment, and (3) expert assistance in production and training.

Spokesmen for the administration emphasized that the proposed expenditures, representing only about one-fifth of what the recipient nations were spending on their own defense, were directed toward a modernization but no expansion of existing Western European military establishments. They did not claim that this additional increment would enable Western Europe to repel Soviet aggression, if it occurred; the aim, according to Acheson, was "to forestall that possibility by making it clear that military aggression against the nations of Western Europe can be undertaken only at great cost and with no assurance of success." In other words, the program was designed "to make the gamble too hazardous to be tempting." From the President down, administration leaders were frank to admit that they did not know how long military assistance would have to continue, although they hoped that the burden assumed by the United States would diminish as the Western European nations grew in strength. Secretary Johnson ventured a personal opinion that the program would require four or five years.[10]

Congressional leaders had not participated in the formulation of the military assistance program, which underwent important modifications before it became law 10 weeks later as the Mutual Defense Assistance Act. In the opinion of Senator Connally, no major foreign policy measure since the Lend-Lease Act had been so difficult of enactment.[11] Influential congressmen who accepted the principle of military aid differed widely from the administration concerning both its amount and the terms and

[10] *Mutual Defense Assistance Act of 1949: Hearings* on H.R. 5748 and H.R. 5895 before the House Foreign Affairs Committee, 81st Congress, 1st Session (Washington, 1949), 13, 15, 16, 47, 61.
[11] *New York Times*, September 29, 1949.

conditions under which it should be extended. Many felt that any necessary allocations for military assistance should come out of the regular defense budget, which had meanwhile been swelled to some $16 billion by a House vote to increase Air Force expenditures beyond the level set by the President.[12] Senator Vandenberg was among those who expressed a sharp preference for delaying final action on the program until the outlines of the integrated defense organization called for by the treaty could be more clearly perceived.

The wide discretionary powers requested by the President, notably his request for authority to provide assistance to unspecified countries outside the North Atlantic Treaty area, encountered such strong objection that the original bill was withdrawn and a new bill substituted on August 5, naming the countries eligible to receive aid and proposing a revised allocation of the $1,450 million total. Senators Vandenberg and Dulles were instrumental in securing various further modifications, designed to maintain congressional control over the administration of the program and ensure that the powers granted the executive were utilized for its announced purposes. Amendments were introduced permitting the termination of aid to any country by concurrent resolution of both houses of Congress, and, more immediately important, specifying that the bulk of the projected aid to the North Atlantic countries should be withheld until plans for an integrated defense of the North Atlantic area were completed.

In considering the size of the program, Congress exhibited the same sensitivity to budgetary considerations that was delaying its work on routine appropriation bills and on the European re-

[12] Continuing its practice of the year before (*The United States in World Affairs, 1948–1949*, 7-8), the House insisted on appropriating for an immediate increase to 58 air groups, despite the administration contention that 48 groups represented the maximum desirable in the light of over-all requirements for the armed services. After lengthy controversy between House and Senate the larger figure was accepted by the Senate and incorporated into the National Military Establishment Appropriation Act (Public Law 434, October 29, 1949), the final total of which was just under $15.6 billion. In signing the bill the President declared that the sum of $615 million appropriated for the larger Air Force would be impounded, since expansion beyond 48 groups would be indefensible on both economic and military grounds.

covery appropriation. There was comparatively little objection to the $239 million proposed for non-Atlantic countries in the revised bill (originally the figure had been $301 million), but the total of $1,161 million for Western Europe aroused strong opposition. The House, in approving the bill on August 18, voted to cut this amount by exactly one-half—an action ostensibly designed to ensure that the assistance program would be used in a positive way to bring about an integrated defense, but one which might also lessen the prospect of any coordinated defense at all. A parallel move in the Senate, led by Democratic Senator Walter F. George of Georgia, failed to muster the necessary majority; but the Senate did its own trimming when it eventually passed the bill on September 22, reducing the figure for the North Atlantic countries from $1,161 million to a flat $1,000 million.

Once again the administration maintained considerable pressure while the bill was under consideration. The Soviet danger was kept well to the fore in administration testimony, whose most sensational feature was General Bradley's candid statement that "the first priority of the joint defense is our ability to deliver the atomic bomb."[13] A few days after the bill was introduced, the Joint Chiefs of Staff departed by air for a series of rapid conferences with Western European defense chiefs, from which General Bradley returned to assure the Senate Foreign Relations and Armed Services committees that "well-laid" plans were being devised in accordance with a defense concept that fitted in with American strategic thinking.[14] The President's important address to the convention of the Veterans of Foreign Wars at Miami on August 22, four days after the House cut, was largely devoted to presenting the program as "an investment in security that will be worth many times its cost."

One of the most serious obstacles to the bill's passage by the Senate was the attempt of the China aid forces to include

[13] *Mutual Defense Assistance Act of 1949: Hearings*, 71.
[14] *Military Assistance Program; Joint Hearings* on S. 2388 before the Senate Committee on Foreign Relations and the Committee on Armed Services, 81st Congress, 1st Session (Washington, 1949), 90-91.

Nationalist China among the beneficiaries. The vehement championship of Chiang Kai-shek's cause by Senator Knowland and others, and the State Department's obdurate resistance to reopening a question it had believed settled by the China White Paper, threatened for a time to result in complete deadlock. A compromise was eventually negotiated by Senator Connally with interested colleagues in the Foreign Relations and Armed Services committees. The Knowland group, which had been asking for $175 million for non-Communist China and $18 million for other anti-Communist forces in the Far East, agreed to reduce the figure after Admiral Oscar C. Badger, the retiring U.S. Naval Commander in the Far East, had recommended an allocation for China of no more than $75 million, to be used at presidential discretion and under American supervision. The final compromise bill provided $75 million as an emergency fund which the President might expend as he saw fit in the "general area" of China to accomplish the policies and purposes of the act. As a further concession to the Far Eastern forces, a vague declaration was inserted in the preamble of the law favoring creation of a "joint organization" for self-help and mutual cooperation among "the free countries and the free peoples" of the Far East.

The military aid bill was still under debate in the Senate when the Foreign Ministers of the 12 Atlantic pact countries convened in Washington on September 17 to establish the North Atlantic Council and subsidiary bodies envisaged by the treaty.[15] The upper house approved the measure on September 22. One day later the President made his momentous announcement of the atomic explosion in the U.S.S.R., a disclosure which undoubtedly hastened the negotiations of Senate and House conferees and the passage of the final bill by both houses on September 28. The final vote of the House, approving a full $1,000 million in military aid to Western Europe, was 223 to 109; in the Senate the measure was adopted by voice vote.

As approved by the President on October 6, the Mutual

[15] See below, pp. 139-141.

Defense Assistance Act of 1949 [16] provided for a total expenditure of $1,314,010,000, of which $1,000 million was for North Atlantic treaty signatories (half in cash and half in contract authorizations); $211,370,000 for Greece and Turkey; $27,640,000 for Iran, Korea, and the Philippines; and $75,000,000 for use at the President's discretion in the "general area" of China. Direct aid to North Atlantic countries which had requested assistance was limited to $100 million until the President should approve the recommendations of the North Atlantic Council and Defense Committee for "an integrated defense of the North Atlantic area."

In addition to the transfer of equipment, materials, and services to beneficiary countries, the act authorized cash purchases of equipment and materials by these nations and others which had joined with the United States in collective defense or regional arrangements like the Rio treaty and the Atlantic pact. All such assistance was to be governed by the terms of detailed agreements to be concluded with the beneficiaries. Provision was made for terminating assistance to any country in the event that continued assistance was found to be inconsistent with the U.S. national interest or security or with United Nations obligations—a stipulation inspired mainly by misgivings with regard to Netherlands policy in the Indonesian conflict. The preamble of the act emphasized the continued devotion of the United States to the purposes of the United Nations, its undiminished interest in the regulation and reduction of armaments, and the recognition of the Congress that economic recovery must continue to receive "clear priority" as a factor essential to international peace and security.

3. Economic Recovery and World Trade

Legislation specifically designed to promote economic recovery was meanwhile continuing to experience extraordinary vicissitudes, long after the opening of the new fiscal year. In

[16] Public Law 329, 81st Congress. The necessary appropriations were included in Public Law 430 (H.R. 6427), approved October 28, 1949.

its handling of the annual appropriation for foreign economic assistance Congress was outdoing its own performance of 1948, when a determined effort to reduce the amount of aid already authorized for European recovery threw a cloud of uncertainty over the Marshall Plan weeks after its formal inauguration.[17] In 1949 the new Congress acted promptly to extend the recovery program for a second year, making only minor reductions in the figure asked by the administration and introducing few innovations which could seriously impair the operation of the program.[18] In dealing with the appropriation bill, however, members of both houses not only made a vigorous assault on the projected aid total but also introduced numerous restrictive amendments, some of which, if adopted, would have nullified the entire principle of Marshall aid. Debate on the bill dragged on throughout the summer and the appropriation, substantially reduced, was not passed until the end of September.

The administration's original estimate of foreign aid requirement for the European Recovery Program in the 15-month period from April 1949 to June 1950 was $5,580 million. In extending the Economic Cooperation Act in April Congress reduced this figure only slightly, to $5,430 million.[19] The administration itself, in submitting its appropriation request on April 26, took note of the downward trend of U.S. prices and voluntarily suggested further trimming, to a rock-bottom figure of $5,272.2 million. It was at this level that the House and Senate appropriations committees began their examination of the program's financial aspects, to the accompaniment of alarming forecasts of a heavy budgetary deficit and disturbing indications that European recovery was not going according to plan.

Divergent responses to this situation by the House and Senate, comparable to their disparate actions on the military assistance bill, hung up the appropriation measure for a matter of months.

[17] *The United States in World Affairs, 1948–1949,* 154-155.

[18] Public Law 47, 81st Congress, approved April 19, 1949; cf. *The United States in World Affairs, 1948–1949,* 511-512.

[19] Plus $150 million to guarantee convertibility of profits and investment earnings of American enterprises in participating countries. The authorization for the new fiscal year remained at $4,280 million, as requested by the administration.

The House, despite the pleas of ECA Administrator Hoffman, Under-Secretary of State James E. Webb, and Speaker Sam Rayburn, voted on May 26 to reduce the total appropriation to $4,642.5 million, at the same time stipulating that the full amount might be expended by May 15 instead of June 30, 1950. In the Senate, where Vandenberg's resistance to arbitrary cuts was only partially successful, the figure approved when the measure finally reached a vote on August 8 was $4,852.4 million for the full 15 months.[20]

The delay in Senate action resulted largely from the necessity of considering various amendments, some of them already defeated once in April, which would have involved serious distortions of the recovery program. Several of these, after approval by the Appropriations Committee, were excluded from consideration on the floor by rulings of Vice President Alben W. Barkley, sustained by varying majorities, that they constituted substantive legislation in an appropriation measure. Among the proposals which for a time looked like serious threats to the integrity of the program were a move by Senator James P. Kem, Republican, of Missouri to deny aid to countries which continued to nationalize basic industries, and one by Democratic Senator John L. McClellan of Arkansas to earmark $1.5 billion of recovery funds exclusively to finance the purchase of American farm surpluses. "I don't think we ought to be enacting a farm-relief program in this bill," was Senator Taft's comment on the latter proposal. Politically even more explosive was an amendment by Senator Pat McCarran, Democrat, of Nevada, to set aside $50 million for loans to Franco Spain. Openly deprecated by the President and Hoffman, this move was defeated by a vote of 55 to 36. Another embarrassing provision, calling on ECA to reopen the vexed question of the dismantling of excess industrial capacity in Germany, was eventually watered down by leaving the matter to the discretion of the ECA Administrator.

[20] This result was arrived at by reducing the appropriation for the new fiscal year by 10 percent, from $4,198.2 million asked by the administration to $3,628.4 million plus $150 million in loan authorizations.

Lengthy arguments between Senate and House conferees failed to reconcile the many differences between the Senate and House appropriation bills and necessitated several renewals of the temporary spending authorizations without which ECA could not remain in business. Meanwhile the Council of the Organization for European Economic Cooperation (O.E.E.C.), meeting in Paris, struggled to reconcile the claims of the individual ERP countries on an allotment whose total Congress still delayed to fix.[21] Not until September 29 did the House yield and agree to accept the higher Senate figure.

In its final form the Foreign Aid Appropriation Act [22] carried a total for all purposes of $5,810 million. Of this amount, $4,852.4 million was for ERP: $1,074 million for the already expired last quarter of fiscal 1949, and a total for fiscal 1950 of $3,628.4 million, plus $150 million in Export-Import Bank loan authorizations. In addition, the act appropriated $912.5 million for army occupation and relief costs in Germany, Austria, Japan and the Ryukyus; $45 million for military aid to Greece and Turkey (in addition to more than $211 million included in the Mutual Defense Assistance Act); [23] and $110,000 to continue the joint congressional Committee on Foreign Economic Cooperation or "watchdog committee," which was retained on a reduced allotment despite strong opposition in the House. The final figure for ERP was well below the irreducible minimum set by the administration in April. Subsequent events, however, including the devaluation of most European currencies, had introduced so many uncertainties into the recovery picture that it was difficult to judge whether or not the cut would turn out to have been, as President Truman had foretold on June 11, "the worst kind of false economy."

Another foreign aid measure to which Congress attached less urgency than the administration was the bill to authorize $150 million in economic aid to the Republic of Korea during the

[21] Cf. below, pp. 126, 129.

[22] Public Law 327, 81st Congress, approved October 6, 1949.

[23] The administration had asked $50 million, representing the unappropriated balance of funds authorized under the Greek-Turkish aid program, as a stopgap pending enactment of the military aid legislation.

fiscal year 1949–1950.[24] Stimulated by the fervent appeals of the President and Secretary Acheson, the House Foreign Affairs Committee swallowed its misgivings concerning the general trend of Far Eastern policy and reported the bill favorably on June 30, adding the stipulation that aid must cease forthwith if any Communist were admitted to hold office in the South Korean government.[25] A similar bill, without the termination provision, was reported by the Senate Foreign Relations Committee and actually passed the Senate in the hurried closing days of the session. No floor action was taken by the House, however, Korea's immediate needs being provided for by two interim appropriations of $30 million each to cover the period July 1, 1949–February 15, 1950.[26]

Aside from appropriations for direct foreign economic assistance, Congress at its 1949 session was asked to act on four major aspects of American foreign economic policy. One of these, the ratification of the International Wheat Agreement, required action by the Senate alone; the other three, extension of the Reciprocal Trade Agreements Act, acceptance of the ITO Charter, and inauguration of the Point Four program, were submitted for appropriate action by both houses.

The Wheat Agreement was the latest of several attempts to introduce order and stability into one important segment of world trade by agreement among the major exporting and importing nations. The method adopted was that of advance regulation, in conformity with long-range production and market prospects, of the quantities and prices of wheat entering into world trade. Participation of the United States, as one of the world's largest grain exporters, was essential to the success of any such arrangement, and a wheat agreement involving 36 nations had fallen through in 1948 because of its nonratification by the U.S. Senate. The 1949 agreement covered 41 coun-

[24] This measure was designed to implement an agreement of December 1948 with the Korean Government bringing Korea under the ECA program. Cf. *The United States in World Affairs, 1948–1949,* 310.

[25] *Aid to Korea,* House Report No. 962 on H.R. 5330, 81st Congress, 1st Session, July 1, 1949 (Washington, 1949), 48.

[26] Public Law 343, approved October 10, 1949; Public Law 430, approved October 28, 1949.

tries and was designed to regulate the movement of 456 million bushels of wheat over a four-year period. Transmitted to the Senate on April 19, it was unanimously reported by the Foreign Relations Committee and was approved by voice vote on June 13 despite a number of misgivings, mostly of a technical nature, voiced by Senator Vandenberg.[27]

The Reciprocal Trade Agreements Act, which had been a cornerstone of American foreign economic policy for a decade and a half, contained none of the novel and problematical features embodied in the Wheat Agreement. Its basic provision, authorizing the President to negotiate reciprocal tariff reductions with other countries up to a maximum of 50 percent of the American 1945 rate, was the main instrument of the administration's fight to liberalize world trade and the basis of its participation in the important multilateral tariff negotiations under the General Agreement on Tariffs and Trade (GATT) of 1947.[28] While the issue was before Congress, the 23 countries signatory to GATT were holding their third session at Annecy, France, meeting from April 11 to August 27 and accepting the accession of 10 new countries to the agreement. In a complex series of tariff negotiations the U.S. representatives agreed to a total of some 380 new concessions, roughly half of which went to the legal limit of 50 percent of the 1945 rate. Since the legal authority for these reductions expired in June, however, they could not be finalized until Congress took action to extend the law.

A bill to extend the Trade Agreements Act to 1951 was the first major foreign policy measure to pass the House, which adopted it as early as February 9 by a majority of 319 to 69.[29]

[27] *International Wheat Agreement of 1949*, Executive M, 81st Congress, 1st Session, April 19, 1949. Legislation authorizing the Commodity Credit Corporation to make up the difference to American producers between market prices and the lower export prices fixed by the agreement was approved October 27, 1949 (Public Law 421). The background and implications of the agreement are extensively analyzed in *The United States in World Affairs, 1948–1949*, 220-228; on this and related aspects of economic policy see also C. Addison Hickman, *Our Farm Program and Foreign Trade* (New York, Council on Foreign Relations, 1949).

[28] *The United States in World Affairs, 1948–1949*, 215-216.

[29] *Ibid.*, 210-215.

In the Senate, debate was delayed until September, by which time misgivings over the European dollar crisis, supplementing the normal opposition of protectionist and special-interest groups, had enveloped the bill in an atmosphere of nervous tension. Controversy surged mainly about the administration's demand for removal of the so-called "peril-point" safeguard which had been introduced into the law by the Eightieth Congress. Under this provision the President was required to submit an explanation whenever he disregarded the advice of the Tariff Commission and fixed a tariff rate below the "peril point" designated by the Commission as the lowest that would be safe for the domestic economy. Retention of the peril-point feature, favored by both Vandenberg and Taft as well as by the inveterate foe of the trade agreements program, Republican Senator Eugene D. Millikin of Colorado, was eventually defeated by the narrow margin of 43 to 38. Other attempts to modify the law in the interest of particular groups, notably by limiting imports of petroleum products and furs, were beaten down by even closer votes before the administration bill was finally adopted by 62 to 19 on September 15.[30]

In signing the Trade Agreements Extension Act, the President renewed his appeal for prompt congressional action on the charter for an International Trade Organization, which he had sent to Capitol Hill in April. An outgrowth of the same philosophy that inspired the trade agreements law, the Havana Charter laid down rules for a liberal and nondiscriminatory system of world trade practices and provided for their administration by the projected International Trade Organization, a specialized agency of the United Nations. Only two nations, Australia and Liberia, had taken positive action on the charter since it was signed early in 1948, and not many ratifications were to be expected until the United States itself took the plunge. The matter was attended by no such practical urgency as the Wheat Agreement and the Trade Agreements Act, and the administration itself had waited over a year before asking the House and Senate to approve the charter as "an essential

[30] Public Law 307, approved September 26, 1949.

step forward in our foreign policy." Congress took no action on the matter during its 1949 session, but there were indications that, with the Trade Agreements Act out of the way, the administration would make a more determined effort to start the ball rolling in the 1950 session.

4. The Bold New Program

Inaction likewise overtook the legislative phase of the Point Four program of assistance to underdeveloped areas, dramatically announced in the President's inaugural address of January 20 and likely to become one of the major elements in U.S. foreign economic policy in the years ahead. Five months elapsed between the proclamation of the "bold new program" in January and the message to Congress on June 24 in which the President asked for "vigorous action now" to put its initial phase in operation. In the interval, an idea originally conceived as a "dramatic highlight" for the inaugural address had aroused growing interest and enthusiasm both at home and abroad. Although the program was not really new—technical assistance and investment in underdeveloped areas were a standing concern of dozens of private, governmental, and international bodies—the possibility remained that it might prove bolder than anything that had preceded it.

Increasing social and political unrest in underdeveloped countries made such a program more than timely; measures to increase productivity and purchasing power in backward areas seemed one likely answer to persistent imbalances in the world trade structure; and the constructive nature of the enterprise offered welcome relief from the fixations of the cold war. There was something that appealed to the missionary spirit in the idea of sharing with peoples that still struggled in ignorance and poverty the beneficent secrets—some of them extremely simple ones—by which Western man had learned to control his environment. In no other field could so much be achieved by the use of a little money combined with a little imagination. "We are at the beginning of a rising curve of

activity, private, governmental and international, that will continue for many years to come," the President told the Senate and House of Representatives. "It is all the more important, therefore, that we start promptly." [31]

Although there was no mistaking the humanistic spirit that underlay the President's conception—he had described it as "a program of development based on the concepts of democratic fair-dealing"—the vague terms in which it had been put forward raised many practical problems that required exploration and discussion. First of all, what relation was to be established between the two prime needs of the underdeveloped countries, capital investment and technical "know-how"? Should technological assistance come first, in order to provide a basis for productive investment, or should it be looked upon as the natural accompaniment of specific development projects involving capital outlays? How was responsibility to be divided between the United States, as the prime source of both technical skills and investment capital, and the United Nations, which was already sponsoring technical assistance projects of many kinds and was eager to expand its program in line with the President's declaration for "a world-wide effort in which all nations work together through the United Nations and its specialized agencies wherever practicable"?

To the extent that the program was carried on outside the U.N. framework, what would be the respective roles of governmental and private enterprise? The U.S. Government was already sponsoring a variety of technical assistance projects under the Institute of Inter-American Affairs, the Interdepartmental Committee on Scientific and Cultural Cooperation, and the Economic Cooperation Administration. Through the Export-Import Bank it also provided technical assistance as well as loans for developmental projects that were calculated to promote U.S. trade. But American private enterprises, both business and philanthropic, had long been active in similar work and would presumably welcome opportunities to extend their activities,

[31] House Document No. 240, 81st Congress, 1st Session, June 24, 1949.

under favorable conditions, in a program that was recognized as being directly related to the national interest.

American investors, however, would not be anxious to participate on a large scale unless something were done to assure them a fair return and create a more attractive "climate" for investment in underdeveloped parts of the world. Unstable conditions and antiforeign sentiment in various countries of Latin America and the Near and Far East created unusual hazards which had tended to discourage American businessmen from undertaking ventures that might be highly promising from other points of view. This reluctance was detrimental to all parties, since it helped to keep economic activity in the underdeveloped countries at a low level. The governments of such countries, however, though extremely desirous of obtaining foreign capital, were loath to permit the unregulated operation of foreign business interests in their territory. Conscious of the far-reaching influence of such activities in their economic life, fearful of the type of exploitation that had formerly gone by the name of "imperialism," and anxious to develop their economies on an independent, national basis, they wished to maximize the benefits of foreign investment while retaining tight control in their own hands.

This situation raised a final and highly controversial question: Who was to assume the responsibility for protecting American private investors against the many "nonbusiness" risks associated with foreign investment, especially in underdeveloped countries—against inconvertibility of earnings, against tax preferences and other forms of discrimination that might be brought to bear in favor of native enterprise, against losses due to wars and revolutions, and against the threat of expropriation? Should the underdeveloped countries themselves —which would, in the last analysis, have to put forth most of the effort that went into their own development—also be required to provide all the inducements needed to attract an increased flow of American private capital? Or should the U.S. Government, because of its broad political interest in the pro-

gram, assume at least a part of the burden of insuring investors against exceptional risks?

To none of these questions was a clear and final answer to be expected. Point Four was not conceived as a single operation like ERP, large in scale but sharply circumscribed in method. It was intended rather as a guidepost for common endeavor along many lines, open to all who shared an interest in its goals. In so immense a field there was no great need to fear the collision of rival interests, so long as all subscribed to the same guiding principles and standards. The United Nations, for instance, was obviously both qualified and welcome to shoulder a part of the burden by expanding its existing programs and developing new ones. American officials encouraged the Economic and Social Council and other U.N. agencies to associate themselves with the Point Four program, and Secretary-General Trygve Lie was directed to draw up a blueprint for broadened U.N. action in the technical assistance field.[32] The United Nations, however, could not go far until the United States itself clarified its intentions and the extent of its own contribution, both public and private.

Within the United States certain divergences were beginning to appear between the views of the government and those of the business community, on whom so much of the program's success would depend. Whereas the executive branch had originally inclined to give the technical assistance side of the program at least equal weight with capital investment, business associations like the International Chamber of Commerce (U.S. Council), the National Association of Manufacturers, and the National Foreign Trade Council displayed an almost exclusive interest in means of expanding the flow of U.S. private investments abroad. Technical aid by itself would be of little use, cautioned the International Chamber of Commerce: "As a practical necessity, applied technology, or know-how, must be combined with investment."

In separate reports on Point Four all three organizations made clear their approval of the program's objectives and, not

[32] Cf. below, pp. 339-340.

less significantly, their insistence that governmental participation in it be kept to a minimum. Neither government loans nor government guarantees were desired. "Given assurances that it will not meet with unfair discriminatory practice, private initiative can be depended upon to export both venture capital and technical experience to those countries which want to take part," said Curtis E. Calder, chairman of the NAM's international relations committee. "Those assurances . . . do not involve guarantees by the United States Government against loss to investors. But guarantees should be made by the other Governments which would specifically commit them to the extending of fair and equitable treatment for foreign investment and for the technical and managerial personnel which naturally go with foreign investment." [33] In short, what was wanted from the U.S. Government was a set of treaties with the governments of underdeveloped countries which would give the American private investor approximately the same kind of protection he enjoyed under domestic law.

In principle the U.S. Government had nothing against bilateral treaties to assure fair treatment to American investors. Suitable provisions to this end were included in the basic treaties of friendship, commerce, and navigation which were being negotiated or renegotiated with a large number of countries. "These treaties," Under-Secretary Webb explained to the Senate Banking and Currency Committee on August 9, "are designed to assure the potential investor that his property will not be expropriated without prompt, adequate, and effective compensation, that he will be given reasonable opportunity to remit earnings and withdraw his capital, that he will have reasonable freedom to operate, manage, and control his enterprise, and that he will enjoy security in the protection of his person and his

[33] *New York Times,* May 24, 1949; cf. United States Council of the International Chamber of Commerce Incorporated, *Intelligent International Investment* (New York, April 1949); National Foreign Trade Council, Inc., *Private Enterprise and the Point IV Program* (New York, May 1949); National Association of Manufacturers, International Relations Committee, *The Bold New Plan* (Economic Policy Division Series, No. 11, May 1949). The I.C.C. report favored a joint government-business study of possible government guarantees or insurance against investment risks; the other two organizations flatly opposed the idea.

property and nondiscriminatory treatment in the conduct of his business affairs." [34]

At the same time, the State Department felt that the program should operate in a "climate" that was agreeable not only to the investors but also to the countries to be developed. Some effort would be required to convince the latter that President Truman was in earnest when he said that "the old imperialism —exploitation for foreign profit—has no place in our plans." Mr. Webb continued: ". . . Foreign countries are entitled to expect that private investments will make a genuine contribution to their national welfare. . . . The private investor has an obligation to give due regard to the welfare of the persons dependent upon his enterprise, to contribute his fair share of taxes to the local community, to conserve as well as develop local resources, to observe local laws and refrain from interference in the political life of the community, and so to conduct his enterprise that the local economy will derive benefit from his activity." [35]

Cooperative action on the part of capital-importing and capital-exporting countries seemed to the administration to offer the best chance of positive results. Moreover, certain types of risks, especially those relating to transferability of earnings and capital, were largely beyond the control of the governments of underdeveloped countries. To the agencies concerned in drafting the program it seemed reasonable for the United States itself to undertake the protection of American investors against these particular hazards. No large outlays for the purpose could be requested in view of the economical temper of Congress; but a modest program of governmental investment guarantees seemed a logical counterpart of the varying obligations that beneficiary countries would be asked to assume. At a later stage it might prove desirable to expand the guarantees and provide additional investment incentives, such as liberalized tax exemptions on foreign-earned income.

In his message of June 24, accordingly, the President asked

[34] *Foreign Investment Guaranties: Hearings* on S. 2197 before the Senate Banking and Currency Committee, 81st Congress, 1st Session (Washington, 1949), 17-18.
[35] *Ibid.*, 18.

Congress to enact two specific items of legislation: (1) general authorization of a U.S. technical assistance or "technical cooperation" program; and (2) authorization to the Export-Import Bank to experiment with guarantees of American private investments that contributed to Point Four objectives. In proposing separate legislation on technical aid and capital investment, the President recognized their interdependence but indicated that the former should receive priority in U.S. planning. "In general," he wrote, "technical surveys of resources and of the possibilities of economic development must precede substantial capital investment. Furthermore, in many of the areas concerned, technical assistance in improving sanitation, communications, or education is required to create conditions in which capital investment can be fruitful."

Congress, for internal reasons, turned to the two items in the opposite order. The problem of investment guarantees was referred to the Banking and Currency Committees of both houses, which reported bills at the beginning of autumn, too late for floor consideration. The technical cooperation plan went to the already overburdened foreign relations committees, which took no definite action, although the House Foreign Affairs Committee held preliminary hearings shortly before Congress adjourned.

The proposed investment guarantee bill (H.R. 5594) was submitted in the form of an amendment to the Export-Import Bank Act of 1945. It would give the Bank authority "to guarantee United States private capital invested in productive enterprises abroad which contribute to economic development in foreign countries against risks peculiar to such investments." Neither the nature, the size, nor the geographical scope of the proposed guarantees were specified. Testimony from high officials of the National Advisory Council, the State Department, the Export-Import Bank, and the President's Advisory Committee on Foreign Financial Problems emphasized the experimental nature of the program and the desire for maximum flexibility. Initially, it was indicated, the guarantees would probably cover only the risk of inconvertibility of local curren-

cies. Later they might be extended to cover expropriation and physical destruction due to war. Only new investments would be guaranteed, but the program would be so administered as to avoid discrimination against older investors. An indication of the maximum cost of the program was afforded by the fact that only some $970 million of the Export-Import Bank's total capital of $3.5 billion remained uncommitted. Although an increase in the Bank's authority to lend or guarantee might be necessary at a later date, there was no intention at this stage of tying the government to a program of any specific magnitude.[36]

Under direct pressure from the White House, the bill was unanimously reported by the Senate Banking Committee on September 22. The House committee, on October 5, approved it by a 10-8 party-line vote which gave a truer reflection of the opposition the proposal had aroused, in progressive Republican circles as well as in the business community. Representative Christian A. Herter of Massachusetts, who had shown particular interest in getting private business behind the program, gave eloquent expression to this viewpoint in testifying before the House committee. The emphasis in the administration program was misplaced, Herter suggested. First priority should be given not to U.S. Government guarantees but to the obligations of other governments to create a favorable investment climate by concluding bilateral investment treaties and tax agreements with the United States. When they had done so, a "very limited form of guaranty" might be admissible. "If point 4 is to become a reality with the aid of private capital," he said, "I am convinced that our Government has got to make it absolutely clear to these nations that there is no Christmas tree waiting to be shaken; that from here on out the relationships of our country to those countries will be those of friends who are operating on a businesslike basis. I am convinced that that can be done provided it is made clear enough that that is the intent of the

[36] *Foreign Investment Guaranties: Hearings* on S. 2197, cited; *Export-Import Bank Loan Guaranty Authority: Hearings* on H.R. 5594 before the House Banking and Currency Committee, 81st Congress, 1st Session (Washington, 1949).

United States Government. But if we begin by passing an act such as the one which is now before you, I am very fearful that these conditions that would create a climate favorable to the investment of private capital will never be brought about. . . ."[37]

To give more concrete form to his ideas Representative Herter introduced his own Point Four bill (H.R. 6026), specifying the treaty obligations to be assumed by countries seeking aid. In general, these countries were to bind themselves not to discriminate against any U.S. private investment capital or management, not to expropriate without prompt and "just" compensation, and not to set up governmentally favored corporations in competition with American corporations. The administrator of the program was to discourage U.S. Government loans if private capital was available, and a two-year limit was to be imposed on Export-Import Bank loans to countries that failed to reach satisfactory agreements with the United States within that time. "I think," said Mr. Herter, ". . . [that] my bill generally represents the view of the National Foreign Trade Council or those who have made a particular study, the International Chamber of Commerce, and the groups that have been working very hard on what practical means could be taken in order to set up a climate favorable for private investment." [38]

The Herter bill, which was not formally acted upon during the session, dealt with technical assistance as well as investment guarantees and thus covered some of the same ground as the administration's second Point Four bill, entitled "International Technical Cooperation Act of 1949" (H.R. 5615). The administration bill was intended to provide the government with general legislative authority to plan, administer, execute, and coordinate technical "cooperation" programs through an Institute of International Technical Cooperation to be established within the State Department. An appropriation of $35 million was recommended for the fiscal year 1949–1950, with the intimation that this initial expenditure would not be typical

[37] *Ibid.*, 127.
[38] *Ibid.*, 138-139.

since more emphasis would be given to surveys and preliminary studies than would be necessary in future years.

The detailed technical aid plans which the State Department had been drawing up, in cooperation with a special interdepartmental committee on technical assistance, were closely geared in with the parallel planning that was going on in the United Nations.[39] Subject to final decision by the U.N. on its own technical assistance programs, the Department was thinking in terms of an over-all effort amounting to something like $85 million in the first year. Altogether about $39.7 million of this amount would be provided directly by the United States, $31.5 million under the new program and $8.2 million under existing programs.[40] Another $17.4 million was to come from the United Nations, and $28.5 million from recipient countries benefiting by specific projects. Latin America was expected to absorb roughly 37 percent of the proposed expenditure; the Near East and Africa would take 33 percent, and Asia and the Far East 30 percent. Agriculture and forestry programs and health and sanitation bulked largest in a list that included 18 separate categories of technical assistance, from housing and public administration to fisheries, transportation, and weather.

An unexpectedly cold reception awaited the administration spokesmen who went to Capitol Hill late in September to explain the program to members of the House Foreign Affairs Committee. According to press accounts, most of the Republicans present displayed an "open hostility" which Under-Secretary Webb was quite unable to mollify, despite his assurances that the program was "not charity" but "an enlightened businesslike attempt to solve one of the most crucial problems with which our world is confronted." [41] Other administration witnesses, including the Secretaries of Commerce, Agriculture, Interior, and Labor and the ECA Administrator, were not much

[39] Department of State, *Point Four: Cooperative Program for Aid in the Development of Economically Underdeveloped Areas* (Washington, 1950).

[40] The balance of $3.5 million under the new program was to be set aside for administrative and miscellaneous costs. In addition, the U.S. expected to bear a substantial share of the cost of the U.N. program. Cf. below, pp. 340-342.

[41] Statement of September 27, reprinted in *Department of State Bulletin,* XXI, October 10, 1949, 549-552.

more successful. Members of Congress at that stage were more interested in adjournment than in proposals to vote new foreign aid expenditures, and inclined to resent the fact that a program with such far-reaching implications should have come before them so late in the session. After hearing a scattering of adverse witnesses the committee decided to put off further action until January.

In view of the fact that the Point Four program was not presented to Congress until the session was more than half over, it was perhaps not surprising that no final action was taken on a matter so full of novelties and so largely experimental in character.[42] Yet the lag between administration initiative and congressional response had gone far to divest the program of its original element of "boldness." Events since January had not made the needs of the underdeveloped countries any less pressing. The devaluation crisis had dramatized their importance in terms of the European payments problem. The course of China's civil war had vividly illustrated what could happen when demands for a minimum standard of life were too long unsatisfied. The unstable situation of Southeast Asia demonstrated more clearly than hitherto the close relation between economic development needs and American security requirements.

Meanwhile the rapid advance of the General Assembly toward approval of the expanded U.N. technical assistance program emphasized both the general acceptability of the Point Four approach and the interdependence of U.S. and U.N. efforts in this field. Some reassurance seemed necessary to the countries that had responded so positively to the original American lead. "The United States intends to play its full part in this great enterprise," President Truman told the Assembly at its headquarters dedication ceremony in New York on October 24. "We are already carrying on a number of activities in

[42] On one closely related activity Congress did take positive action by extending for five years the life of the Institute of Inter-American Affairs and authorizing the appropriation during that period of $35 million (the administration had asked for $50 million) to support the technical programs the Institute was carrying on in cooperation with other American republics in agriculture, education, and health and sanitation (Public Law 283, approved September 3, 1949).

this field. I shall urge the Congress, when it reconvenes in January, to give high priority to proposals which will make possible additional technical assistance and capital investment. . . . We cannot achieve permanent peace and prosperity in the world until the standard of living in underdeveloped areas is raised."

Most of the remaining foreign policy actions of this lengthy session—ranging from condemnations of the treatment of clergymen in Eastern Europe to authorization of a $16 million contribution for the relief of Palestine refugees—may better be considered in connection with the special subject matter to which they relate. The present record would be incomplete, however, without some reference to the lack of effective action by Congress on one urgent piece of legislation which many viewed as a test of American sincerity in world affairs. This was the bill to liberalize the Displaced Persons Act of 1948 [43] by increasing the number of European displaced persons to be admitted outside the regular immigration quota from 205,000 to 339,000, and extending the time limit for the operation from June 1950 to June 1951. The 1948 act had been widely denounced because of its low ceiling and an elaborate pattern of restrictions and preferences which were difficult to administer and invited charges of religious and racial discrimination.

A new bill designed to eliminate these features was passed by the House on June 2, 1949, but the parallel bill bogged down in a subcommittee of the Senate Judiciary Committee. Senator McCarran, the committee's chairman and a declared foe of the measure, devised various ingenious obstacles to its consideration, culminating in a self-imposed "survey" of European DP camps which took him away from Washington during the last critical weeks of the session. Under strong Senate pressure the committee reported the bill in McCarran's absence on October 12, at a time when the upper house was already struggling toward adjournment. Commencement of a filibuster by Senators Harry P. Cain, Republican, of Washington, and James O. Eastland, Democrat, of Mississippi, was sufficient to send the bill

[43] Public Law 774, 80th Congress, approved June 25, 1948.

back to committee by a vote of 36 to 30, with instructions to report the measure again early in the new session. At Geneva the Executive Committee of the International Refugee Organization (IRO), informed of the Senate's action, reluctantly turned to making plans for the support of those refugees who would still be unprovided for on the hoped-for target date of June 30, 1950.[44]

As Congress wearily groped its way to adjournment on October 19, the President and Acheson took pains to congratulate it on a record which the Secretary of State, in a letter to Senator Connally, did not scruple to term "magnificent." Detached consideration might have suggested a milder adjective. True, the session had been devoid of any outright repudiation of a major foreign policy program; but the policy as a whole had sustained more battering, more costly delays, and more narrow escapes than were good for it. The session had done little to enhance the standing of Congress in American or world opinion. There had been more than enough irresponsible talk and irresponsible action by both Democrats and Republicans. Embarrassments, moreover, were not to cease with the end of the session. Many congressmen succumbed to the growing vogue of "inspection" tours abroad, in the course of which they formed conclusions and made statements that did not always reflect a thorough understanding of local conditions or of the aims of American policy. On the most controversial themes of the session—Far Eastern policy and aid to Europe—no approach to a real meeting of minds could be discerned. Both would be the subject of bitter struggles in the new session opening in January.

Nevertheless, this first session had recorded achievements which would go down in history. The 82-13 majority by which the Senate ratified the Atlantic pact testified to a vision and an appreciation of hard facts such as no previous Congress had been called upon to display under comparable circumstances. The Mutual Defense Assistance Act had emerged from the congressional mill with certain definite improvements and no

[44] Cf. below, pp. 330-331.

vital impairment. Restoration of the Reciprocal Trade Agreements Act in its pristine form relieved the government of what it considered a serious handicap in the conduct of foreign economic policy. Extension of the European Recovery Program on a reduced scale indicated that the United States was not unconscious of its responsibilities in an interdependent world. There were distressing signs that the spectacular economic recovery achieved in the program's first 18 months rested on shaky foundations, and that much more than mere money grants would be required to stabilize them; but for the moment, at least, the possibility of a serious economic and political deterioration in Europe had been warded off.

CHAPTER FOUR

WESTERN EUROPE AT THE CROSSROADS (I)

IN THE FIFTH year after the overthrow of Nazi Germany, Europe was still the primary arena of the world power struggle and the decisive theater of American foreign policy. Through the devastation and exhaustion of the war, the old continent had retained a strategic position, a basic economic strength, and a political and cultural vigor which kept it at the center of world politics and made it the major battleground of the East-West conflict. Even after the victories of the Chinese Communists threatened to upset the strategic balance in the Far East to the disadvantage of the United States, Europe continued to hold first place in American planning. General Bradley stated some of the reasons in his testimony on the military assistance program before the Senate Foreign Relations and Armed Services committees: "If the whole continent of Asia came under the influence of the Soviets," he said, "we think it would be a great loss, of course. We are dependent upon that area for considerable amounts of materials. However, we believe that Europe is more important from an industrial capacity standpoint than Asia. Furthermore there is, we believe, an effective way that you can render assistance to Europe, but no immediately apparent effective way that you can render assistance to Asia." [1]

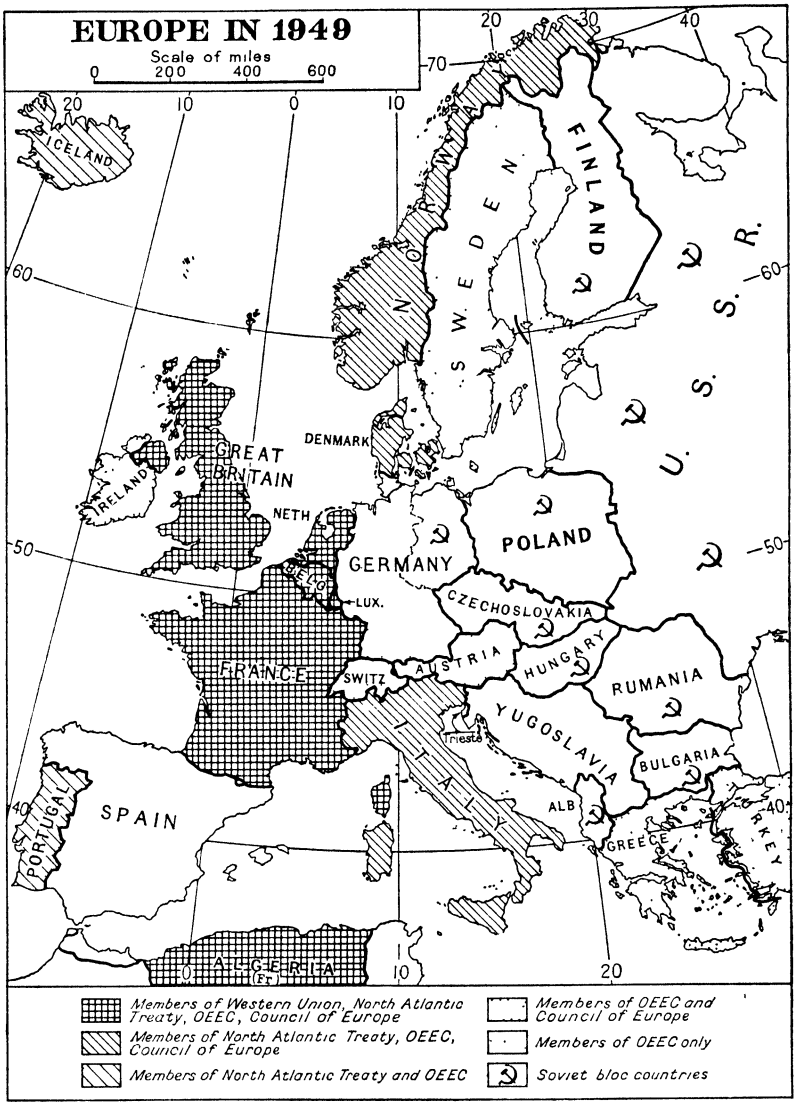
This emphasis on the element of "assistance" reflected the fundamental way in which Europe's position had changed as a result of the war. Up to 1939, its world preeminence had been the product of its own material and intellectual force. Ten years later these factors still played a considerable role, but the

[1] *Military Assistance Program: Joint Hearings* on S. 2388 before the Senate Foreign Relations and Armed Services Committees, 81st Congress, 1st Session (Washington, 1949), 109.

framework had altered. Europe's importance in the postwar world depended less on its intrinsic strength than on its weakness relative to the two young giants in the family of nations, the United States and the Soviet Union. It was its position between the two "superpowers," neither of which was willing to let it fall under the other's control, that made Europe the key to the world power balance.

Many Europeans, on the Continent and in Britain, had foreseen that Europe's postwar destinies would be largely conditioned by the relations of these two powers, both of which owed so much to Europe though neither could properly be called European. Some of them had hoped that the European nations, by closing their ranks and transcending local antagonisms, could create a "third power center" strong enough to resist encroachments and avoid involvement in any American-Soviet quarrel. Such hopes proved delusive, not only because American and Soviet influence were brought to bear directly on European territory during the postwar years, but also because no government that adhered to the traditional moral and legal order could wholly overlook the menace of Stalinist imperialism. Europe could not remain "above the battle" because the battle developed in a way that involved the very foundations of European life.

As the 1940's drew to a close, the political map of the old world bore witness to Europe's total involvement in the East-West struggle. In the East, seven European countries (eight, until Yugoslavia's revolt in 1948) had fallen under the absolute dominion of the U.S.S.R. In the center, Germany and Austria, the geographic and economic heart of Europe, remained under military occupation and without peace treaties because neither East nor West would relax its hold on terms acceptable to the other. The rest of Europe—a dozen or 15 countries, stretching in a broad arc from Scandinavia and the British Isles to the Iberian Peninsula, and thence through the Mediterranean to Greece and Turkey—comprised the "West," a term whose political precision made up for its geographic vagueness. A "Western" country, in 1949, was one that had not been occu-



pied by the Soviet Union, did not have a Communist government, and intended to remain free of Soviet control.

The repugnance of the Western governments toward the U.S.S.R., combined with their economic and military weakness, necessarily involved most of them in a degree of dependence

on the United States. American policy, as expressed in the Greek-Turkish aid program, the Marshall Plan, and the North Atlantic Treaty, was explicitly aimed at helping free peoples resist the imposition of totalitarian dictatorships. Only American support had enabled Western Europe to weather the crisis of the early postwar years. By and large, the peoples of Western Europe understood and appreciated the magnitude of American assistance; but the situation was not one that they could regard with entire satisfaction. Apart from the humiliation of being forced to accept aid on such a scale from a foreign country, there was always the possibility that the relationship might degenerate into one of European subservience and American dictation. The circumstances made it all too easy for Soviet critics to assert that ERP and the Atlantic pact were merely a cloak for the establishment of American hegemony in Europe. Sensitive, disgruntled Europeans were often inclined to sing in the same strain; and it was impossible for Americans to deny that their government, intentionally or not, had come to wield a great and frequently decisive influence in Western European affairs.

Yet there was a world of difference between the reality of Soviet domination in Eastern Europe and that of American leadership in the West. Thinly disguised compulsion ruled the Soviet bloc; voluntary cooperation for specific ends was the keynote in Western Europe. America's wealth and power, brought to bear directly by such devices as its control of the allocation of ECA counterpart funds, inevitably gave it the strongest voice in organizations like the O.E.E.C. and carried its influence deep into the affairs of the individual countries. The decisive impulse behind common action in Western Europe, however, was not American dictation but a genuine community of interest on fundamentals. Association with the United States in European matters did not require the British to forget their ties with the Commonwealth, or prevent the French from pursuing their own objectives in Germany. Still less did it involve any enforced deference to American wishes in such areas as the Far East.

The profound cleavage that separated Western from Eastern Europe promised to govern European destinies for the foreseeable future. Each year deepened the division, as the development of the "two Europes" continued along radically different political, social, and cultural lines. Yet the geographical limits of Eastern and Western Europe were by no means finally stabilized. The U.S.S.R. did not abandon hope of extending its dominance into Western Europe when conditions were more favorable; the Western powers refused to acknowledge the permanence of Soviet rule in Eastern Europe. The revolt of Tito's Yugoslavia illustrated the continued fluidity of the European situation. The Iron Curtain might be almost impenetrable, but it was still far from rigid.

The provisional character of Europe's division was sharply emphasized by the position of Germany, occupied by military forces of both East and West and slowly recovering the strength which might, eventually, enable it to tip the balance to the advantage of one side or the other. Just because it was not definitively allocated as between Russia and the West, Germany was already playing a vital, though largely passive, role in East-West relations. Conflicts arising out of the struggle for Germany during 1948 dangerously heightened the tension among the great powers. In 1949, East-West tension over Germany slackened temporarily, but the rapid political and economic advance of Western Germany itself imparted new urgency to the problem of Germany's future relation to the European community.

In previous years, efforts to further Western Europe's economic, political, and military recovery on a basis of common action had hinged most directly on the attitude of the United States and on that of Great Britain, as a power with both European and extra-European interests that were often difficult to reconcile. The establishment of a federal government in Western Germany added a new term to the equation. Calculations about the future of Western Europe would henceforth be increasingly concerned with the question of how to secure German participation in Western European reconstruction, while

avoiding the risk of Western Europe's falling under German domination. In different ways this question was present in relation to each phase of the American-supported European recovery effort: in discussions of trade policies and economic "integration" in the O.E.E.C., in the striving of the Council of Europe toward a broader European political organization, and in the development of plans for collective defense under the North Atlantic Treaty.

1. Progress Toward European Unity

The need for combined action represented the common denominator of many postwar Western European problems, political, economic, and military. The basic fact about Western Europe's postwar situation had been the inability of individual countries to cope successfully with situations that were in large measure common to all of them. Economic dislocation and distress, military weakness, and social and political instability all sprang from larger-than-national causes, and called imperatively for larger-than-national remedies.

The postwar years had witnessed a series of impressive steps toward closer European cooperation, notably through the O.E.E.C. and through the five-nation "Western Union" established by the Treaty of Brussels in March 1948. Leading statesmen like Winston Churchill, Edouard Herriot, Paul-Henri Spaak, and Alcide De Gasperi championed still broader forms of European association. "European union," as it was called—necessarily limited for the time being to those parts of Europe that were not under Soviet control—became in effect the dominant political idea of the postwar era. In a dramatic recognition of the "need of a closer unity between all like-minded countries of Europe," ten Western European governments agreed early in 1949 to establish a "Council of Europe" as a European political body specifically concerned with European problems.[2]

[2] The 10 original members of the Council of Europe were Belgium, Denmark, France, Ireland, Italy, Luxembourg, Netherlands, Norway, Sweden, and United

Each step in the movement toward European unity was taken with definite encouragement from the United States. Some of the strongest believers in outright European union were found in the American government and in Congress. In extending the Economic Cooperation Act in the spring of 1949, Congress had specifically declared it to be "the policy of the people of the United States . . . to encourage the unification of Europe." One of the advantages of the North Atlantic Treaty, in the eyes of the Senate Foreign Relations Committee, was the fact that it created "a favorable climate for further steps toward progressively closer European integration." In the same spirit, Secretary Acheson publicly applauded the formation of the Council of Europe as "a welcome step forward toward the political integration of the free nations of Europe." The people of the nations involved, he added, "are to be praised for their realization that a free Europe, to remain free and attain a high degree of well-being, must be a united Europe." [3]

Consciousness of the keen American interest in European union helped to dispel European misgivings and undoubtedly contributed to swelling the unification tide in Europe itself. It would be wrong, however, to portray the movement as primarily a response to American pressure. The main impulse came from Europeans who were convinced of the necessity for bold, constructive action if Europe was to survive as an independent entity rather than a mere appanage of some outside power. If there were complaints that the United States was pressing too hard for unification, some leaders of European opinion occasionally expressed the wish that American pressure were firmer and more continuous.

Like every great emotional movement, the unification drive

Kingdom On the origins of the Council see *The United States in World Affairs, 1948–1949,* 521-526; the Statute of the Council, signed May 5, 1949, is reprinted in *Department of State Bulletin,* XXI, December 5, 1949, 858a-862a.

[3] Public Law 47, 81st Congress, approved April 19, 1949; *North Atlantic Treaty,* Senate Report No. 8 on Executive L, 81st Congress, 1st Session, June 6, 1949 (Washington, 1949), 25; *Department of State Bulletin,* XX, May 22, 1949, 664.

in Europe was vague in outline and broad enough to encompass many divergent viewpoints. Few questioned the desirability of union as an ultimate goal, but vast differences prevailed with respect to methods and timing. At one extreme, the advocates of a "United States of Europe" aimed at a federal union in which political frontiers, customs barriers, and similar "obsolete" attributes of the sovereign national state would be swept away. At the other extreme were those who advocated a deliberate approach that would avoid gratuitous innovations and concentrate on using existing European machinery to solve real practical problems as they arose.

Among these many divergences two especially stood out. The European governments generally showed themselves much more cautious and conservative than the unofficial spokesmen of the movement, though many of these were men of broad political experience, accustomed to hold high governmental office in their own countries. And, on the governmental plane, there was a distinct cleavage between Great Britain and the Scandinavian countries on the one hand and the remaining Continental governments, led by France, Belgium, and Italy, on the other. The extreme reserve of the British Labor government, in particular, considerably delayed the establishment of the Council of Europe and continued as the chief visible impediment to European cooperation in the months that followed.

British aloofness in matters of European economic cooperation will require more detailed consideration later in this chapter. A similar combination of economic imperatives, Commonwealth loyalties, socialist preoccupations, and, not least, insular tradition helps to explain the mistrust that marked official British relations with the Council of Europe—a mistrust that contrasted with the warm approval of the new organism by Winston Churchill and other leading British Conservatives. The Labor government, which had taken the lead in framing the Western Union in 1948 and had approached the limit of its financial resources in forwarding collective rearmament under the Brussels Treaty, was unable to disguise the coldness with

which it regarded this new instrument of European political cooperation.

The Statute of the Council of Europe, signed on May 5, 1949, bore significant witness to this cleavage between British and Continental views. The object of the French and other Continental governments (excluding the Scandinavians, who joined the discussions at a late stage) had been to set up something in the nature of a "European parliament" with considerable freedom of expression. The British, on the contrary, worked resolutely to limit the scope of any European assembly and keep it under tight governmental control. The solution eventually adopted, after months of virtual deadlock, was to set up not one organ but two, in a relationship recalling that of Security Council and General Assembly in the United Nations. An official Committee of Ministers was established to represent the governments; and a Consultative Assembly, made up of national delegations of 3 to 18 members who might be chosen either by governmental appointment or by the respective national parliaments, was authorized to meet once a year to debate and make recommendations on matters of common interest. The powers of the two bodies were so defined as to preserve the absolute supremacy of the governments, acting through their foreign ministers, over European opinion as reflected in the Assembly. Within the Committee of Ministers itself the rule of unanimity (veto right) on major issues ensured that the entire body would adjust its pace to that of the most cautious member government. As an additional safeguard, both organs were excluded by the Statute from any interference in defense matters.

The first meetings of the Council of Europe, which took place at Strasbourg from August 8 to September 9, 1949,[4] showed that the European spirit had grown too powerful to be smothered by constitutional restraints of this order. The main significance of the session, aside from an enlargement of the

[4] The Committee of Ministers met from August 8 to August 13; the Assembly, from August 10 to September 9.

Council's membership through the accession of Greece and Turkey on invitation from the Committee of Ministers,[5] lay in its demonstration of this fact. The hundred-odd distinguished delegates to the Consultative Assembly—drawn from the parliaments of their respective countries, where they represented all parties except the Communists—tended to act more like European delegates-at-large than like national representatives. There were notable exceptions: the Irish delegation showed a rather untimely interest in airing Ireland's national grievance against Great Britain, and the disciplined delegates of the British Labor party undeniably acted as something of a dead weight in the deliberations. In general, however, neither national nor ideological affiliations were allowed seriously to impede the Assembly's work. As a group the delegates displayed a remarkable sense of their responsibility as Europeans, and a strong determination to broaden the powers of the Assembly as the chief vehicle of the "European idea."

As the "deliberative organ" of the Council of Europe, the Consultative Assembly had authority only to "debate matters within its competence . . . and present its conclusions, in the form of recommendations, to the Committee of Ministers." Even in this narrow sphere its effectiveness was limited by the requirement that its agenda be approved by the Committee of Ministers in advance of the debate. Discontent with the agenda approved by the Committee nearly brought on a crisis in the first days of the session. A threatened impasse was avoided by the skillful diplomacy of Paul-Henri Spaak, who was unanimously chosen as the Assembly's president after a cabinet change in Brussels had relieved him of his position as Belgian Foreign Minister and his seat on the Committee of Ministers. Returning to the Committee in the guise of the Assembly's plenipotentiary, Spaak persuaded his erstwhile colleagues to liberalize their procedure and remain in session long enough to approve several new agenda items.

[5] Iceland was also invited to become a member but deferred acceptance because its parliament was not in session.

Since the Assembly had no legislative or executive powers, its substantive accomplishments could only take the form of declarations of principle and statements of aspirations. As such, however, its resolutions gave striking testimony to the advanced opinions held by a broad sample of Europe's political elite. Impatience with conventional views of "sovereignty" stood out clearly in the main political resolutions. One of these described the aim of the Council of Europe as "the creation of a European political authority with limited functions but real powers." By this language the delegates recognized that the achievement of full European union would be a slow process, but affirmed the necessity of an immediate start in at least a restricted field. In another resolution the Assembly boldly declared that "the problems of common interest to the States of Europe . . . cannot be solved within the framework of the present European structure"; accordingly, it gave instructions to its general affairs committee to study the whole range of problems involved in proposals for closer union, and to "make definite recommendations concerning the modifications in the political structure of the member States, which it considers desirable with a view to a closer union between them." [6]

In its economic resolution the Assembly made a series of broad, somewhat uncoordinated recommendations emphasizing the goal of an economically unified Europe with free trade and convertible currencies. Other resolutions dealt with European cultural, scientific, and technological cooperation and the establishment of a European cultural center; with the necessity of acquainting the broad mass of the people with the advantages of union and the dangers of national isolation; with technical issues of refugees, social security, housing, labor migration, patents, and passports; and with a proposed collective guarantee of human rights and fundamental freedoms, to be enforced by a European court of justice and a European human rights commission. Sponsors of this last recommendation, which

[6] The Assembly's resolutions are reprinted in United Kingdom, *Report on the Proceedings of the First Session of the Council of Europe (with Related Documents), Strasbourg, 8th August–8th September 1949* (Cmd. 7807, London, 1949).

was designed to implement the basic rights and freedoms set forth in the U.N.'s Universal Declaration of Human Rights, attached importance both to its concrete nature and to the fact that it established liberal principles as the philosophical basis of any future united Europe.

Parallel with these doctrinal achievements, the Assembly was engaged in a series of maneuvers aimed at consolidating and enlarging its own position relative to that of the slow-moving Committee of Ministers. Without attempting a frontal attack on the Committee's prerogatives under the Statute, the Assembly availed itself of all procedural loopholes to broaden its own competence and, in a series of recommendations concerning possible modifications in the Statute, prepared the ground for what might become an even more influential role in the future. Its most important procedural move was the creation of a standing committee, headed by Spaak, to represent the Assembly between sessions and maintain continuity in its work and in its relations with the Ministers. The six regular committees of the Assembly were also authorized to meet between sessions, and drew up work programs for further study of the specialized matters within their competence.

Finally, the Assembly strongly urged that another meeting be authorized early in 1950, by which time it was expected that such important matters as the membership qualifications of the new West German republic at Bonn would be ripe for decision. The question of an invitation to the Bonn government, raised by Winston Churchill shortly after the German parliamentary election on August 14, had been found too ticklish for exhaustive debate. Nevertheless it was certain to require the attention of the Council of Europe before many months had passed, a fact that had special weight with the Assembly when it demanded the right to express an opinion on the admissibility of new members.

The Strasbourg meetings unquestionably marked a new triumph of the European spirit. The determination of political leaders in 12 European countries to transcend the limits of national particularism had been placed on record more un-

equivocally than ever before. The men who voted for these resolutions could not be accused of political romanticism; their interest in European unity was eminently practical. Yet, by the very nature of the Assembly, they were prevented from taking positive steps in the direction of their choice. Not only was the Assembly confined by the clear provisions of the Statute; in a deeper sense, the possibility of progress toward unity was still sharply limited by the diversity of languages and traditions, political and economic systems, standards of living, and immediate national interests which weighed so heavily with the responsible statesmen in Committee of Ministers.

In no practical field was unity to be attained without real sacrifices by particular groups; and no government would find it easy to ask its citizens to sacrifice present advantages for the sake of common interests that were still partly hypothetical. The certainty that any structural readjustment in the European economy would be accompanied by unemployment, however temporary, exemplified the difficulty of descending from abstract principle to concrete action. A far more dramatic illustration of the limits of common action was in the making. The adjournment of the Strasbourg session coincided with the financial conference in Washington that set the stage for the devaluation of the British pound—a step taken without consultation with Britain's European associates, and which seemed, in the words of Paul Reynaud, like "a defiance of the very idea of a united Europe." [7] The long-run trend in Western Europe was undoubtedly in the direction of closer association, and a body like the Consultative Assembly had an essential role to play in registering and stimulating the growth of a supporting public opinion. It was clearly evident, however, that the underlying trend was subject to serious interruption and to the influence of disturbing countercurrents. The next session of the Committee of Ministers in November would find the movement temporarily at ebb tide.[8]

[7] Paul Reynaud, "The Unifying Force for Europe," *Foreign Affairs,* XXVIII, January 1950, 264.

[8] Cf. below, pp. 160-162.

2. *Turning Point of ERP*[9]

The September financial conference among the Foreign and Finance ministers of the United States, Britain, and Canada brought to a head the two most difficult issues involved in Western Europe's four-year economic recovery effort. One was the problem of the continuing deficit in Europe's trade and payments relations with the dollar area: in the program's second full year, prospects of closing the "dollar gap" and freeing Europe from the need for extraordinary financial assistance from across the Atlantic seemed to be continually receding. The other concerned the special role of Great Britain in European recovery, and the adjustments necessitated by its simultaneous position as the center of a world-wide system of trade and financial relationships based on the pound sterling.

In terms of American funds expended to stimulate European recovery, 1949 saw the program about half completed. By the end of the year the United States had actually spent just under $6 billion on the procurement of goods and services for 16 ERP countries, 86 percent of it in the form of direct grants. The largest amounts went to Great Britain ($1,822 million), France ($1,297 million), Western Germany ($601 million), and Italy ($577 million); the main items provided were food, feed, and fertilizer ($2,126 million), raw materials and semifinished products ($1,673 million), fuel ($894 million), machinery and vehicles ($562 million), and shipping and miscellaneous services ($463 million).[10] In addition to direct aid from the United States, the participating countries themselves had set aside the equivalent of over $4.3 billion in "local currency counterpart

[9] Except as otherwise indicated, statistical data in this section are taken from the quarterly *Reports to Congress of the Economic Cooperation Administration* or from the *Second Report* of the Organization for European Economic Cooperation (Paris, 1950). The reader who desires a more exhaustive analysis is referred to Howard S. Ellis, *The Economics of Freedom* (New York, Harper and Brothers, for the Council on Foreign Relations, 1950).

[10] Up to the end of 1949 Portugal and Switzerland received no American-financed supplies or services under the program. Areas of origin of the $5,511 million in American-financed commodity shipments through 1949 were United States ($3,549 million), Canada ($875 million), Latin America ($467 million), ERP participating countries ($324 million), and other countries ($296 million).

funds," the bulk of which, subject to ECA approval, was being used to promote internal monetary and financial stability, build power plants, railroads, docks, and factories, and otherwise stimulate productivity and the development of new sources of wealth.

Few could doubt that the money had been well spent. Roughly calculated, the total production of goods and services in the O.E.E.C. countries rose by nearly one-fourth between 1947 and 1949. The over-all index of industrial production, based on 1938, rose to 115 in 1949, as compared with 77 in 1946 and 87 in 1947; exclusion of Western Germany, with its slower rate of recovery, produced a still higher figure of 135 for 1949. Good harvests in 1949 helped speed up the recovery in agriculture, which had been lagging behind that of industry. Production of bread grains in the crop year 1948–1949 was 57 percent above the 1947–1948 figure, and smaller but significant increases were achieved in other key agricultural commodities. Progress in the control of inflation, which two years before had threatened to undermine much of the recovery of Western Europe, was uneven but definitely encouraging.

Official comment on ERP during 1949 usually stressed the theme that the problem of reviving Western Europe's production was beaten, and that the moment had arrived for an attack on the related but more complicated matter of trade and payments. Actually, the foreign trade of the O.E.E.C. countries had also recovered steadily: from 74 percent of the 1938 level in the first quarter of 1948 to 100 percent of 1938 (measured at constant prices) a year later. The difficulty lay not so much with the volume of Western European foreign trade as with its direction. Whereas trade among the O.E.E.C. countries themselves increased nearly 50 percent between 1947 and 1949, trade with the rest of the world did not improve so much. The lag was especially marked in the critical matter of exports to the United States: after rising from $1,289 million in 1947 to $1,703 million in 1948, exports to this country from O.E.E.C. countries and their overseas territories settled back to $1,536 million in 1949—a year in which U.S. exports (mostly ECA-

financed) to the metropolitan countries alone totaled over $4 billion.

The decisive importance of this "dollar gap" in Europe's balance of payments had been recognized since the inception of the Marshall Plan, a program largely directed toward enabling Western Europe to attain an equilibrium in its exchanges with the rest of the world, including the dollar area. As the temporary destruction and dislocations of the war were gradually overcome, the permanent factors which would hinder the attainment of this goal came more clearly into view. Most fundamental of these was Europe's relative poverty in capital equipment, which necessitated a larger investment of labor per unit of output and was largely responsible for higher production costs and an unfavorable competitive position in the world market—especially in relation to the highly rationalized, mass-production economy of the United States. Aggravating this condition were (1) a loss of "invisible" income from overseas investments, shipping, tourism, and other services, (2) a loss of markets and sources of food and raw materials in Eastern Europe, and (3) the fact that world prices for the raw materials Western Europe needed to import from overseas were rising faster than prices of the manufactured commodities that formed the bulk of Western European exports.

The slight economic recession that took place in the United States in the first half of 1949 dramatically accentuated these difficulties. Although the readjustments occurring in the American economy failed to bring on the major depression which had been the nightmare of Europeans and the hope of Soviet political strategists, their impact on foreign trade was sufficient to focus attention sharply on this country's key position in the world trade structure. U.S. imports, partly because of a decline in import prices associated with the transition from a sellers' to a buyers' market, fell from an annual rate of $7.5 billion in the last quarter of 1948 to an annual rate of $6.4 billion in the second quarter of 1949. Imports from the O.E.E.C. countries and their overseas territories dropped precipitously: $473 mil-

lion in the last quarter of 1948, and $445 million, $363 million, and $324 million in the first three quarters of 1949.

Among all the O.E.E.C. countries, Great Britain was most adversely affected by this development, as will be shown below; but the experience was sufficiently breath-taking for all of them —and for the United States—to give fresh impetus to the search for remedial measures. It was becoming increasingly doubtful that the rehabilitation and expansion undertaken in 1947–1948 would suffice to close Western Europe's dollar gap by the time ERP was scheduled to end in 1952. In its *Interim Report,* published in the spring of 1949, O.E.E.C. had foreseen a dollar deficit of some $3 billion remaining at the close of the program. If the present trend continued, even this estimate might prove to have been much too optimistic.

No single cure was available for Western Europe's dollar shortage, except the Draconian one of holding imports from the United States down to the level that could be paid for by direct transfers of European goods and services. This was a remedy that no one was anxious to consider while Europe's dollar-earning capacity remained so low. Apart from its detrimental effect on U.S. exports, it would tend to defeat the whole object of the recovery program by clamping a lowered ceiling on European living standards and thus imperiling the existing non-Communist governments in Western European countries. On the other hand, continuance of U.S. governmental aid on anything like the present scale was likewise excluded, and there was no reason to anticipate a greatly expanded flow of American private funds to Europe. Some other way had to be found to increase Europe's dollar earnings and to lessen its dependence on American sources of food and materials.

Various means toward this end had been suggested. One obvious short-run method of boosting European sales to foreign countries was a realignment (i.e., devaluation) of European currencies, which, it was widely felt, were presently overvalued in relation to the dollar. Another might be found in further reduction of U.S. tariff and customs barriers, combined with more energetic efforts by European exporters to master the tech-

niques of American salesmanship. More fundamental advantages might be gained from further measures to increase productivity in Western Europe by intensified investment and rationalization. Development of overseas territories and underdeveloped areas generally, in line with the Point Four program, would lessen Europe's direct dependence on the dollar area and provide increased opportunities to earn dollars in "third-country" markets.

In the opinion of U.S. officials and many Europeans, the advantages of such measures would be multiplied if they were carried out on a European rather than a national scale. Eventual coordination and "integration" of the separate European economies, according to this view, was the only means by which Western Europe as a whole could reestablish equilibrium with the rest of the world. A mass market in a single free-trade area, with the resultant trend toward large-scale production, had been largely responsible for the spectacular growth of the American economy. Removal of tariffs, customs barriers, and other obstacles to trade within Europe would stimulate competition among European producers, accelerate the process of modernization and rationalization, and ensure the most efficient use of resources. Freedom of trade within Western Europe would mean reduced dependence on the outer world; at the same time, new mass-production industries would enhance Western Europe's ability to compete in the world market. As the original goals of the Marshall Plan receded, American official opinion showed a tendency to elevate European economic "integration" into a major foreign policy objective.

The most serious obstacle to this line of reasoning, and to action based upon it, was the special position of the United Kingdom, the greatest industrial and trading nation in Western Europe. Economic integration of Western Europe without the United Kingdom, it was generally agreed, would not work out satisfactorily. The difficulty was that Great Britain was only partially a European country; in addition to its ties with Western Europe, it had important overseas economic relationships which militated strongly against its inclusion in a Western European economic system. Of all the countries participating in

O.E.E.C., Great Britain had the smallest stake in trade with its Continental neighbors. Only 23 percent of its total trade in 1948 was with other ERP countries (exclusive of overseas territories);[11] a far larger proportion was directed toward North and South America and toward the "sterling area" countries for which Britain served as the banker.

This wider relationship aggravated instead of mitigating Britain's dependence on trade with the dollar area, since the U.K. was responsible for maintaining not only its own dollar balances but those of the sterling area as a whole, which since the war had also incurred a chronic deficit in its dollar trade. Britain itself had in many respects achieved a phenomenal recovery. Its industrial production index had kept well ahead of the index for the O.E.E.C. countries as a group, and its exports, which in the first quarter of 1949 reached 156 percent of the 1938 level, were far in advance of those of any other ERP country. Trade with the dollar countries, however, failed to increase at a comparable rate. In 1948 the U.K.'s exports covered only 38 percent of its imports from the United States and 33 percent of its imports from Canada—figures that were well above the average but scarcely commensurate with Britain's continuing need for U.S. and Canadian goods.

Even before the war Great Britain had had a deficit in its trade with North America, which was covered by shipping and other invisible transactions and by "triangular" trade with third countries. But in a period when currencies were inconvertible and the sterling area had ceased to be a net dollar earner, Britain was forced to rely mainly on direct sales to the United States and Canada to boost its dollar income. This was no easy task in view of the obsolete character of much of Britain's industrial plant and the disparities in industrial productivity on

[11] Computed from U.K. foreign trade statistics presented in ECA, Division of Statistics and Reports, *Recovery Guides: Participating Countries,* No. 13, April 1950 (Washington, ECA, 1950), 132-133. The "sterling area" countries, which accounted for 41 percent of British foreign trade in 1948, included the British Commonwealth (except Canada) together with the British colonies, Southern Rhodesia, Burma, Iceland, Iraq, and Ireland. For a full discussion see Ellis, *The Economics of Freedom,* 154-165.

the two sides of the Atlantic. Some critics, both American and British, argued that the Labor government's obsession with "full employment," its nationalization of basic industries, its high tax rates, and its allocation of important domestic resources for food subsidies and social services were additional handicaps to competition in key export markets.

A more indisputable deterrent to sales in the dollar area was Britain's £3.3 billion war debt to the sterling area countries, euphemistically referred to as the "sterling balances." As these wartime balances were released, they diverted to India, Pakistan, Egypt, and other countries British exports which brought no tangible returns. In addition, they represented a commitment of resources which might otherwise have been applied to stimulating exports to dollar countries. British manufacturers had little incentive to modernize their industrial processes or their sales techniques as long as the demand for British goods in these and other "soft-currency" areas remained high.

Britain's obligations as banker of the sterling area were in part responsible for the serious dollar crisis that overtook the British Government in mid-1949—a crisis whose intensity recalled the "convertibility crisis" of 1947,[12] although British spokesmen deprecated such a comparison. The contraction of U.S. imports during the first half of the year hit Britain two ways: directly, through a falling off of U.K. exports to this country, and indirectly through declining sales of primary products by countries in the sterling area. As a result, the dollar deficit of the sterling area increased from £82 million in the first quarter of 1949 to £157 million in the second; gold and dollar reserves fell from £471 million to £406 million.[13] If the rate of drain continued, the reserves would be used up in less than a year.

"A new and unfavourable position has developed," Sir Stafford Cripps, Chancellor of the Exchequer, told the House of Commons on July 6. To deal with it, the government had decided, as a temporary measure, "to postpone new dollar pur-

[12] *The United States in World Affairs, 1947–1948,* 420-421.
[13] Sir Stafford Cripps, in *Parliamentary Debates, Weekly Hansard,* House of Commons, July 6, 1949, 2160.

chases to the maximum extent practicable." (Eight days later Sir Stafford intimated that this policy would result in a 25 percent reduction in dollar imports in 1949–1950.) Meanwhile the Finance Ministers of the Commonwealth nations had been invited to London to confer with U.K. officials. On July 18 they revealed that they had agreed "to recommend to their Governments action comparable in its results to that already decided upon by the United Kingdom." Singapore and Malaya had already taken steps to reduce their dollar imports; in the following weeks similar measures were announced by India, Australia, and other Commonwealth governments.[14]

No one looked on these measures as more than a temporary expedient. The ultimate objective, as Cripps said on July 6 and emphasized repeatedly, was a long-run balance between the sterling and dollar worlds, which would eliminate such crises and make possible a return to currency convertibility and multilateral trade. Expansion of dollar exports, rather than contraction of dollar imports, was the most important single step toward this goal, and every effort must be made to reduce British costs and export prices and encourage exports to dollar markets. The problem, however, as Cripps did not fail to point out, was "not one to which the United Kingdom alone can find a remedy," but one "in which our friends and partners in the United States and the Commonwealth are especially involved. . . . We must seek together a long-term remedy for the stubborn problems of the balance of trade between the Western Hemisphere and the rest of the world." Asked whether a currency readjustment was in prospect, Cripps declared firmly: "His Majesty's Government have not the slightest intention of devaluing the pound."

The moment was one of anxious soul-searching on many aspects of the over-all recovery problem. In Washington the ERP appropriation bill for the fiscal year just opened had bogged down in the Senate.[15] In Paris the O.E.E.C., with the assistance of ECA Special Representative W. Averell Harriman, had been

[14] Cf. below, p. 490.
[15] Above, pp. 84-87.

laboring mightily to overcome British-Continental differences on a new intra-European payments agreement. The U.S. Secretary of the Treasury, John W. Snyder, was touring the financial capitals of Europe and verifying the need for a general concentration on greatly increased dollar earnings. On July 8 Snyder reached London and began a series of conferences on the sterling-dollar problem with Cripps and the Canadian Finance Minister, Douglas C. Abbott. The result was a decision to initiate "technical and fact-finding" discussions in preparation for a formal tripartite conference in Washington in September. Once again it was affirmed that "no suggestion was made that sterling be devalued."[16]

This negative emphasis on devaluation only heightened the uncertainty that had gathered around the topic. While Cripps rested in Switzerland, sensational rumors flew. Reiterations of the official British position did nothing to dispel the widespread expectation that devaluation was coming. Foreign purchasers postponed buying British goods; a "flight from the pound" set in, and Britain's gold and dollar reserves continued to fall. U.S. officials, though generally suspected of favoring devaluation, were estopped by both financial and political considerations from expressing clear opinions on the subject. Unofficial American critics of British policies, on the other hand, grew more voluble. As the time for the Washington talks approached, tempers were frayed on both sides of the Atlantic. The tone of British and American press comment exhibited the psychological difficulties of the Anglo-American relationship at their sharpest.

President Truman endeavored to create a more favorable atmosphere for the talks in an important speech to the American Legion convention in Philadelphia on August 29, in which he struck at a number of popular prejudices with a special bearing on Anglo-American relations. "Mutual concessions and cooperation" were the only way to a solution of our difficulties, he said. "We are not engaged in a charitable enterprise. We are

[16] British Treasury communiqué, July 10, in *Department of State Bulletin,* XXI, August 8, 1949, 197.

not looking for trick solutions to deep-seated problems." And, most important, we were not concerned with British internal affairs. "We recognize that each nation has its own political problems and that it uses different political labels and different slogans from those we use at home. In the same way, nations have different business practices and different government devices for achieving the same economic ends. A community of democratic nations cannot insist on uniformity in matters of politics or business. . . ."

The tripartite conference of Foreign and Finance ministers met in Washington from September 7 to September 12. The decisions set forth in the final communiqué [17] were less noteworthy than the explicit recognition by all concerned that the problems which had brought them together were of equal importance to all three countries, and that their solution required "strenuous and sustained effort" by each government as well as by all other countries desiring the same objectives.

Spokesmen for the United States and Canada made no spectacular offer of new assistance to the United Kingdom. The explicit assumption was made that "extraordinary aid from the North American Continent would have come to an end by the middle of 1952," and that the sterling area would have to increase its dollar earnings so as to pay its way by that date. The significant point was the recognition that the "creditor countries"—the U.S. and Canada—shared equally with the "debtor countries" in the responsibility for making this possible. "It was agreed," said the final communiqué, "that the United States and Canada should *reduce obstacles to the entry of goods and services from debtor countries, in order to provide as wide an opportunity as possible for those countries to earn dollars. . . .* It was recognized that such a policy would be in the interests of producers in the United States and Canada, for only in this way can the future level of trade provide adequately for those

[17] *Ibid.* XXI, September 26, 1949, 473-475 (emphasis supplied). Participants in the conference included Snyder (chairman), Acheson, and Hoffman for the U.S.; Bevin, Cripps, and Ambassador Sir Oliver Franks for the U.K.; and Foreign Minister Lester B. Pearson, Finance Minister Abbott, and Ambassador Hume Wrong for Canada.

sectors of the American and Canadian economies which depend in considerable part upon foreign markets."

Preliminary understandings were reached on a number of special problems bearing on this over-all objective. The United States confirmed its general policy of tariff reduction—"it was noted that high tariffs were clearly inconsistent with the position of creditor countries"—and both creditor governments disclosed plans for overhauling their customs procedures. The United States undertook to liberalize existing limitations on the use of ECA dollars (primarily to permit the resumption of ECA financing of Canadian wheat shipments to Great Britain), and promised to review its stockpiling program with a view to expanding purchases of sterling-area rubber and tin. Great Britain was encouraged to liberalize its trade and payments arrangements with O.E.E.C. countries. Certain of the most critical problems—sterling balances, stimulation of U.S. and Canadian overseas investment, and petroleum and shipping—were set aside for further study in what was intended to be a process of "continuing consultation."

Currency problems were excluded from the official agenda of the conference, with the explanation that these were the province of the International Monetary Fund, whose Board of Governors was about to meet in Washington. The results of the ministerial meeting took on a new significance, however, when the long-expected devaluation of the pound sterling was carried out on September 18, with at least nominal concurrence of the Fund. It was too much to say that devaluation was a *quid pro quo* for the concessions envisaged by the U.S. at Washington. The action, Cripps said, had been decided before he and Bevin left England. But the conferees had known what was coming; devaluation, as one potent device for expanding sales to the dollar area, had formed an essential background to their discussion of other means for relieving the sterling-dollar imbalance.

The magnitude of the British devaluation (from $4.03 to $2.80) came as a surprise, and caused considerable irritation on the Continent. Maurice Petsche, French Finance Minister, called the new level a "trade-war rate." Even more annoying to

Continental statesmen, however, was the fact that the step had been taken on such short notice, and without full consultation with the O.E.E.C. governments. Instead of the orderly, planned readjustment most of them would have preferred, these governments now had to resort—nominally through the instrumentality of the International Monetary Fund—to hasty individual devaluation of their own currencies. Coming at the end of a summer's wrangling with the British over intra-European payments and the division of ECA aid, devaluation seemed like a final demonstration of the low value the British placed on European cooperation.

By the end of September most world currencies had been or were in process of being depreciated to new levels more or less in line with the new sterling rate.[18] What long-run effects devaluation would have on the world trade situation remained to be seen. The immediate effect, partly attributable to a backlog of purchases deferred in the expectation of devalution, was a sharp gain in the dollar value of European exports to the United States and a reversal of the adverse trend in dollar balances. Whether these advantages would be maintained depended on two main factors: the success of each country in holding down costs and taking advantage of all opportunities to extend its foothold in dollar markets, and the response of American demand to the new dollar value of European goods. Devaluation would be fully effective only if combined with more constructive measures of the type envisaged at the Washington conference and the Paris sessions of the O.E.E.C.

Contrary to the fears of some of the Continental governments, the special treatment of sterling area problems in Washington did not imply any diminution of American interest in the general dollar problem of the O.E.E.C. countries as a group. A passage in the Washington communiqué declared that continuing Anglo-American-Canadian consultation would actually

[18] Belgium, France, Italy, and Portugal devalued by less than the full 30.5 percent. Canada reduced the exchange value of its dollar to about 90¢ U.S. The value of the Swiss franc remained unchanged, as did the nominal value of the Soviet ruble and related currencies. (Effective March 1, 1950, the exchange value of the ruble was increased from 19¢ to 25¢ U.S.)

"facilitate the progress of economic collaboration in the wider field." M. Schuman, in Washington for the meeting of the new North Atlantic Council, was assured that the measures contemplated by the United States would apply equally to all ERP countries.[19] ECA spokesmen continued, as they had done throughout the summer, to urge the European governments to press forward with the closer economic cooperation which was regarded in the United States as an essential counterpart of American aid.

The campaign for economic cooperation was being waged on three major fronts, all directed primarily toward the freeing of trade within Europe from the artificial restraints which had encumbered it since before the war. First was the new Intra-European Payments and Compensation Agreement for 1949–1950, eventually signed on September 7, which was designed to promote greater multilateralism in European trade through partial transferability of the "drawing rights" extended by creditor to debtor countries in return for "conditional aid" from the United States.[20] Second was a program, agreed upon in July, for multilateral removal of quantitative restrictions on imports; action by individual O.E.E.C. countries under this agreement was expected to free some 30 percent of private intra-European trade as a first step toward the removal of all or nearly all trade barriers by 1951.

In a third category were steps toward more complete economic "integration" among two or more countries, along the lines of the proposed Benelux economic union and Franco-Italian customs union. British coolness toward economic cooperation with the Continent had given impetus to ideas of some kind of regional economic grouping limited to Continental countries, to serve as a framework for lower trade barriers and increased currency convertibility. The concept of "Fritalux" or "Finebel," a hypothetical combination of France, Italy, and the

[19] *Department of State Bulletin, XXI,* September 26, 1949, 468.

[20] The general principle is explained in *The United States in World Affairs, 1948–1949,* 171-175; the text of the new agreement appears in *Sixth Report to Congress of the Economic Cooperation Administration* (Washington, 1950), 81-96.

Benelux countries, enjoyed some vogue on the Continent during the autumn, partly as a potential device for retaliation against Great Britain. Such projects, however, tended to be vague and shadowy, and left unanswered such important questions as the place of Western Germany in a continental economic union. Meanwhile even the realization of old-established programs like the Benelux economic union was falling behind schedule.

A vigorous call to more decisive action was sounded by Paul Hoffman when he addressed the O.E.E.C. Council in Paris on October 31. Two tasks, said the ECA Administrator, demanded the fullest energies of both organizations as ERP moved toward the half-way mark. One of these was to balance Europe's dollar accounts at a high level. The other was to move toward "a more dynamic, expanding economy" in Western Europe. "This, I believe," Hoffman said, "means nothing less than an integration of the Western European economy. . . . The substance of such integration would be the formation of a single large market within which quantitative restrictions on the movement of goods, monetary barriers to the flow of payments, and, eventually, all tariffs are permanently swept away. . . . Integration is not just an ideal, it is a practical necessity."

Seldom if ever had an American representative spoken more bluntly to a European official audience. Having set the goal as seen by the United States, Hoffman went on to describe in its essentials the program which, in the American view, O.E.E.C. must devise for realizing it. Among the fundamental requirements he mentioned were coordination of national fiscal and monetary policies, provision for necessary exchange adjustments, means for cushioning the effect of temporary disturbances in the flow of trade and payments, and harmonization of conflicting commercial policies and practices. Steps toward integration among smaller groups of countries, he indicated, were admissible provided they were of a kind that would "contribute toward, and not be turned against, the integration of the whole of Western Europe and its overseas territories."

Speed, Hoffman emphasized, was essential—first of all because of "the very short time still remaining during which American

aid will be available to cushion the inevitable short-run dislocations which a program of integration will involve." And, he said, there was another, "very important," reason for speed: "The people and the Congress of the United States, and, I am sure, a great majority of the people of Europe have instinctively felt that economic integration is essential if there is to be an end to Europe's recurring economic crises. A European program to this end—one which showed real promise of taking this great forward step successfully, would, I believe, give new impetus to American support for carrying through into 1952 our joint effort toward lasting European recovery." This, of course, was another way of saying that if such a program were *not* developed, American aid might conceivably terminate even before 1952. "For all these reasons," Hoffman wound up, "but particularly because of the urgency of the need, I do make this considered request: That you have ready early in 1950 a record of accomplishment and a program, which together, will take Europe well along the road toward economic integration."

The substance of what Hoffman was going to say had been well publicized in advance, but European listeners were somewhat taken aback by his explicitness. Many of them thought he was asking too much. They stressed the difficulties and unsettling implications of such drastic alterations of the European economy, and took refuge in professions of mystification concerning the real meaning attached to "integration" in the American mind. Some American observers, too, were doubtful about whether integration on this scale was really the solution to Europe's dollar difficulties over the next two or three years. Europe's prime need, some of them felt, was integration with the rest of the world—i.e., the reestablishment of a functioning world economy—rather than further integration within itself.

The immediate response in the O.E.E.C. Council was not encouraging. Although Schuman for France promised "total adhesion" to Hoffman's "generous principles," Cripps for Great Britain declined flatly to enter into any form of integration that would prejudice Britain's relations with the already "well-integrated" sterling area. In the end the Council adopted a reso-

lution accepting Hoffman's ideas in principle, but providing for no implementing measures except a further reduction in import quotas: each member was to eliminate quotas on at least 50 percent of its private imports from other O.E.E.C. countries by December 15. This target was met only in part, and Hoffman expressed frank disappointment when he revisited Europe in January 1950 to survey the results achieved.

Whatever the merits of European integration as a specific for Europe's economic ills, it was fairly plain that the obstacles, psychological and practical, were too great to be liquidated by 1952. The possibility of Western Europe's achieving an over-all balance in relation to the dollar area by that date seemed equally remote. In its *Second Report,* which appeared in February 1950, O.E.E.C. estimated that maintenance of the present rate of progress would still leave a dollar deficit of $2.25 billion in 1951–1952 and an appreciable deficit in the following year.

Preoccupation with these arbitrarily selected targets tended to divert attention from the real progress that was being made in European economic recovery. In terms of the threat of bankruptcy and dissolution that had hung over Europe in 1947, O.E.E.C. could justly claim that the first two years of the recovery program had in reality been "unreservedly successful." The production effort was succeeding "beyond expectations." Internal financial stability had been markedly increased. Trade had greatly expanded, and Western Europe's over-all deficit with the rest of the world had been reduced from $7.5 billion in 1947 to a little over $4 billion in 1949. Even the key problem of the dollar should, through suitable joint action by Western Europe and North America, be made "manageable" by 1952—that is, reduced to proportions where it could be dealt with as part of the broader problem of world imbalance rather than as a crisis manifestation.

All this did not obscure the fact that the scheduled ending of ERP made 1952 a critical date for both Europe and the United States. At that time the United States would have to decide whether Europe's accounts with the dollar area were to be not merely balanced, but balanced at a high enough level to pre-

serve the gains that had been registered since 1947. Left to its own devices, Western Europe would have to reduce imports from the United States, trim living standards, and face the virtual certainty of renewed social and political instability. If the United States was unwilling to confront this prospect, alternative means would have to be found to keep Western Europe within the circle of an expanding world economy.

CHAPTER FIVE

WESTERN EUROPE AT THE CROSSROADS (II)

1. Building an Atlantic Defense System

The principle of integration that loomed so large in the political and economic fields also formed the key to European-American efforts in the field of military defense. The collective defense envisaged under the Brussels and North Atlantic treaties presupposed a high degree of unity among the participating countries, extending not only to foreign policy objectives but to those aspects of internal policy that had a bearing on military potential. For several years to come, the mobilized forces of the North Atlantic countries in Europe would be so weak as to demand maximum cooperation in the use of manpower, resources, and productive capacity.

Official American views on the necessity for integration actually went further in regard to defense, where they embraced the whole North Atlantic community, than they did in nonmilitary matters. While the United States was quite clear in expressing its desire for European economic integration and its approval of the work of the Council of Europe, few Americans went so far as to suggest that this country should directly associate itself with a unified Europe by joining the O.E.E.C. or any other European organization. Under the North Atlantic Treaty, on the other hand, the United States had entered into a direct commitment which involved the sharing of far-reaching multilateral obligations with ten Western European nations and Canada. By its action on the Mutual Defense Assistance bill, Congress affirmed in the most unequivocal way its insistence on an "integrated" defense of the North Atlantic area such as could be

achieved only through the fullest cooperation among all of the treaty partners.[1]

The European members of the Atlantic pact naturally welcomed these signs of wholehearted American participation, as they had earlier welcomed the assignment of U.S. and Canadian observers to the planning organs set up under the Brussels treaty. Only in close cooperation with the United States could they hope to rebuild their depleted military establishments to the point where they would represent a real deterrent to Soviet aggression. At the same time, some sections of European opinion had come to regard American policy declarations of this kind with a skepticism that was slow to disappear.

Doubts about the seriousness of American intentions were particularly evident in France during the July debate on ratification of the North Atlantic Treaty. Automatic opposition to the treaty on the part of the large Communist element in France was to be expected, but serious reservations were expressed in non-Communist quarters as well. The United States, it was suggested, having ratified the treaty, might neglect to provide tangible military assistance in adequate amounts; it might play a dictatorial role and try to prescribe organizational and strategic arrangements irrespective of French interests; worst of all, it might disregard the susceptibilities of its treaty partners by pressing for the rearmament of Western Germany and its admission to the Atlantic pact.

In token of its strong misgivings with regard to Germany, the French National Assembly when it ratified the treaty on July 27 added the stipulation that no new members of the pact might be admitted without its express approval. The followers of General Charles de Gaulle, a long-time critic of Western European defense arrangements, were unsuccessful in their attempt to make ratification dependent on prior assurances from the United States regarding arms supplies and related matters. Nevertheless the advisory Council of the Republic, which voted approval of the pact on July 29, formally advised the government to use all its authority to obtain the necessary modern

[1] Cf. above, pp. 81-84.

armaments and equipment from the United States and to see that France was adequately represented in the organs to be set up under the treaty.

Ratification also presented a minor problem in Italy, whose position as a former enemy state with a large Communist element set the stage for a renewed display of Soviet opposition to the treaty. Communist agitation against the pact was encouraged when the U.S.S.R. on July 19 dispatched notes to Italy and to the United States, Great Britain, and France charging that Italy's membership and its request for U.S. military aid violated the terms of the Italian Peace Treaty. These contentions had already been solemnly denied, and were now again flatly contradicted by the four governments.[2] The Italian Chamber of Deputies voted for ratification, 323 to 160, on July 21; the Senate approved the treaty on July 30 by 175 votes to 81.

With the deposit of ratifications and the formal proclamation of the treaty on August 24, the way was cleared for establishing machinery to implement the pledge of "self-help and mutual aid" by which the parties, separately and jointly, were to "maintain and develop their individual and collective capacity to resist armed attack." This process required action on several lines, both nationally and internationally. Despite the large measure of agreement that already existed among the 12 governments, it was not until January 1950 that arrangements had reached a point where the first consignments of American tanks, guns, and aircraft could be set in motion.

At each stage of the process, certain persistent problems stood out. How was the Western Union defense organization already functioning under the Brussels treaty to be integrated into the proposed North Atlantic defense structure? What ar-

[2] The U.S. State Department placed on record the following statement during Senate consideration of the North Atlantic Treaty: "It is understood by all parties to the treaty that the participation of Italy . . . had no effect on the military provisions, or on any other provisions, of the Italian Peace Treaty. Any contribution which Italy makes to the collective capacity for defense of the North Atlantic area must be within the limits fixed by the military provisions of the Italian Peace Treaty." *North Atlantic Treaty: Hearings* on Executive L before the Senate Foreign Relations Committee, 81st Congress, 1st Session (Washington, 1949), 134.

rangements would best combine the principle of self-help and mutual cooperation with the leading role that would necessarily devolve on the United States? How were the requirements of the new, expanded military effort to be coordinated with those of the broader drive toward economic recovery and general stabilization? What kind of "strategic concept," based on a realistic estimate of opposing forces, offered the best chances of success in case of the emergency that all hoped would not occur? How could the military doctrine of limited objectives be reconciled with the need to generate a sense of increased confidence throughout Western Europe, not only in the Brussels treaty nations but also in Italy and Portugal, Denmark, Norway, and Iceland? What, if anything, was to be done about those two missing links in the chain of Western European defenses, Spain and Western Germany, neither of which could be considered an acceptable treaty partner in spite of obvious importance from a military point of view?

There were no easy or final answers to such questions. Some of them had already been wrestled with for months in the Western Union defense organization, which was clearly predestined to remain in being as a nucleus for the entire North Atlantic system. The experience of "Uniforce," Field Marshal Montgomery's planning headquarters at Fontainebleau, offered valuable lessons for the North Atlantic Treaty organization. It also provided a foretaste of the difficulties inherent in a collective enterprise which, if it was to be meaningful, would have to extend to such varied realms as training methods, design and production of weapons, procurement and supply, intelligence, communications, plans and operations, and command of the armies, navies, and air forces of the Atlantic nations.

Few outsiders were competent to evaluate the cooperative achievement of the Western Union powers during their 12 months' practical experience in this highly technical field. Large-scale air and sea maneuvers during the summer and autumn of 1949, in which U.S. forces participated, testified to a degree of progress which, as Montgomery said, would have appeared im-

possible 15 or 20 years earlier.[3] Nevertheless, it was evident that the Western Union organization still had to contend with major handicaps. Some of these reflected the natural tendency of both soldiers and statesmen to put national interests ahead of common interests; others arose from the disparity between Western Union's objectives and the means it had to work with. It was difficult to plan realistically for Western European defense against the only prospective aggressor when the combined strength of the Brussels signatories, together with the American units in Europe, amounted to a mere fraction of the armed force the U.S.S.R. could bring to bear at any time. The situation was one that made for sharp differences of opinion about the best way of making ends meet—differences that were exacerbated in some instances by personal friction such as was reputed to exist between Marshal Montgomery and his French ground commander, General Jean de Lattre de Tassigny. No defensive strategy, furthermore, would be worth much unless it took into account the two strongest emotions of the peoples of Western Europe, the fear of a new military occupation from the east, and the fear of atomic bombing from either side. Yet such emotional imperatives further complicated the task of the military planners and sometimes conflicted with the requirements of sound strategy.

The first problem officially taken up by the North Atlantic Treaty partners was that of organization at the government level. This psychologically delicate matter was settled to the general satisfaction when the Foreign Ministers of the 12 signatory governments met in Washington on September 17. A single meeting sufficed to gain their unanimous approval of a complicated structure of committees and planning groups, based on a combination of centralized and regional responsibilities that reflected the common interests of the North Atlantic community as a whole, its geographical extent and heterogeneity, and the special obligations of the United States, Great Britain, and France.

[3] Address at the English-Speaking Union, New York, November 29 (*New York Times*, November 30, 1949).

The establishment of broad policies for the entire North Atlantic group, subject to approval of the 12 governments, was entrusted to a hierarchy comprising (1) a Council, normally consisting of all 12 Foreign Ministers; (2) a Defense Committee, normally composed of all Defense Ministers; and (3) a Military Committee, made up of the chiefs of staff or their representatives (excluding Iceland and Luxembourg). Responsibility for detailed strategic planning, on the other hand, was decentralized and assigned to five "regional planning groups" —"Northern Europe," "Western Europe," "Southern Europe-Western Mediterranean," "Canada-United States," and "North Atlantic Ocean." Participation in these planning groups, it was agreed, would in most instances be limited to the countries immediately concerned.

As a link between the central and regional organs, a key military body known as the "Standing Group" was set up to give policy guidance to the regional groups and coordinate their defense plans for action by the Military Committee. Only France, Great Britain, and the United States, the three nations on which the brunt of the collective effort was certain to fall, were represented on the Standing Group, which came nearest to the concept of a North Atlantic "high command" or "combined chiefs of staff." Provision for the other treaty members to appoint liaison officers to the Standing Group ensured that no interests would be overlooked in its deliberations.

In token of the equality of all members of the North Atlantic community, it was agreed that the chairmanship of the Council and the Defense Committee would rotate in alphabetical order. The key position of the United States was underlined in more tangible ways—notably by the location of the Standing Group in Washington, and by a provision for active U.S. participation, as a member or nonmember as the case might be, in the work of all five regional planning groups. One of these, the "Western European" group, consisted of the five Brussels treaty countries; provision for both the United States and Canada to take an active part in its work ensured the continuance of a relationship already in effect for the past year. Simi-

larly, the "Canada-United States" group represented a logical continuation of the work carried on since 1940 by the U.S.-Canadian Permanent Joint Board on Defense.[4]

Organizational meetings of the Defense Committee, the Military Committee, and the Standing Group were held in Washington early in October, and in the ensuing weeks the structure was completed by the establishment of two further bodies: a Military Production and Supply Board, responsible to the Defense Committee; and a Defense Financial and Economic Committee, consisting of representatives at the ministerial level and responsible directly to the North Atlantic Council. Permanent headquarters for each of these groups was established in London. Organization of the regional planning groups was also well under way by the time these arrangements were approved by the Council at a second meeting on November 18.[5]

The first and most urgent task of the new organization was to produce the recommendations for "an integrated defense of the North Atlantic area" which, as Congress had stipulated, President Truman must approve before the Mutual Defense Assistance Program could get under way. The appropriate military organs immediately fell to work at this task. By December 1 the Defense Ministers, meeting in Paris, were able to announce their unanimous agreement on a "strategic concept" and their approval of the progress made in regard to production, supply, and coordinated defense planning. The recommendations of the Defense Committee, in turn, received the endorsement of the North Atlantic Council at its third meeting in Washington on January 6, 1950.[6]

Inauguration of the U.S. military assistance program also required the establishment of suitable administrative machinery

[4] The above arrangements are outlined in the September 17 communiqué of the North Atlantic Council, reprinted in *Department of State Bulletin,* XXI, September 26, 1949, 468-472.

[5] Communiqués of November 18, *ibid.,* XXI, November 28, 1949, 819-821. At the second and third meetings of the Council most of the governments were represented by their ambassadors in Washington. W. Averell Harriman was appointed U.S. representative on the top-level Defense Financial and Economic Committee.

[6] Communiqués of the Defense Committee, December 1, and the Council, January 6, *ibid.,* XXI, December 19, 1949, 948; XXII, January 16, 1950, 104.

in the U.S. Government. A nucleus for the direction of the program had existed for many months in the Foreign Assistance Coordinating Committee, an interdepartmental group representing the State and Defense Departments and ECA. A subsidiary body known as the European Coordinating Committee operated in London under the chairmanship of U.S. Ambassador Lewis W. Douglas. This framework was now filled out by the appointment of James Bruce, formerly Ambassador to Argentina, as Director of Mutual Defense Assistance, with the task of administering the arms aid program on behalf of the Secretary of State. Lt. Col. C. H. Bonesteel, III, was assigned to work in London, under the European Coordinating Committee, as Executive Director for Mutual Defense Assistance Overseas. Special assistants for "MDAP" were assigned to the American embassies in other prospective recipient countries, and teams of State and Defense department representatives were dispatched to London, Rome, and Oslo and Copenhagen to discuss detailed requirements with the appropriate national authorities.

The Mutual Defense Assistance Act had also stipulated that the recipient countries must conclude bilateral agreements with the United States, to ensure that any assistance furnished them would be used in furtherance of the policies and purposes of the Act and that American interests in regard to security, reciprocal benefits, and other matters would be adequately protected. Negotiations to this end began on November 3 when the State Department submitted identical draft agreements to the diplomatic missions of the eight applicant countries.[7] Although the Department accompanied its overture with a plea for speed, the negotiations ran into difficulties similar to those that had delayed conclusion of the bilateral ECA agreements in 1948.[8] The comprehensive arrangements proposed by the United States, in which the obligations of the recipients were spelled out in great detail, struck some of the latter as one-sided and needlessly restrictive. Several countries objected particularly to a

[7] Belgium, Denmark, France, Italy, Luxembourg, Netherlands, Norway, and United Kingdom. Cf. *ibid.*, XXI, November 14, 1949, 753-754.
[8] *The United States in World Affairs, 1948–1949*, 155-156.

provision that would have forbidden them to send armaments outside of the North Atlantic Treaty area without U.S. consent, a condition that would have been especially onerous to France and Great Britain with their world-wide political and military commitments. Other objections centered mainly on the financial aspects of the program and the large missions the United States proposed to maintain in certain countries at their expense.

Acceptable compromises were worked out with most governments during December. Negotiations with Great Britain proved more difficult, and necessitated lengthy discussion of several issues connected with the transferability of arms and equipment and the division of financial liability. The United Kingdom had already made great sacrifices in providing jet aircraft and other equipment to its Brussels treaty partners. Its financial situation was forcing it to make all possible savings in its own defense establishment, a fact that made it particularly insistent on limiting new expenditures and reiterating the principle that economic recovery must continue to have priority. Signature of the other agreements was held up until these points could be thrashed out, with the result that the formal signing ceremony in Washington was delayed until January 27, 1950.[9]

On the same day President Truman announced his approval of the recommendations for "an integrated defense of the North Atlantic area" approved by the Defense Committee and the North Atlantic Council. Noting that the endorsement of these bodies had been unanimous, the President declared himself satisfied that the recommendations fulfilled the legal requirement "by providing for a common defense based on the cooperative use of national military resources and on individual national specialization." He was confident, he said, that "these resources, including United States military assistance, will be used with maximum efficiency and will not be used to develop separate and unrelated defenses."

This presidential statement removed the last legal impedi-

[9] Texts of the eight Mutual Defense Assistance agreements are printed, with related documents, in *Department of State Bulletin,* XXII, February 6, 1950, 198-211; February 13, 1950, 247-256; February 20, 1950, 293-296.

ment to full-scale activation of a program that had been in the making for approximately 18 months. The main items of equipment to be furnished each recipient had already been agreed upon at the technical level, and the United States was prepared to move rapidly to put the plans in operation. Fulfillment of the stipulations of the Mutual Defense Assistance Act did not, of course, mean that the defense of the North Atlantic area could now be considered assured. The "strategic concept" designed to meet the formal requirement of an act of Congress was only a point of departure. The diplomatic achievement involved in bringing 12 governments to so large a measure of agreement was not to be underrated; but, in relation to the ambitious goals these 12 nations had set themselves, it represented no more than a significant forward step.

Details of the "strategic concept" agreed upon at Paris were kept secret for obvious reasons, but there could be little doubt about its major outlines. The very fact that all parties had agreed to it showed that the objective in the event of aggression would be to defend the territory of all of them—not excluding Italy in the south and Denmark and Norway on the northern flank. The division of specific responsibilities, furthermore, clearly corresponded to the outline General Bradley had given Congress in July, in a statement whose importance justifies quotation in full:

> . . . Our recommendations for this program have been predicated upon . . . the following assumed factors:
>
> First, the United States will be charged with the strategic bombing. We have repeatedly recognized in this country that the first priority of the joint defense is our ability to deliver the atomic bomb.
>
> Second, the United States Navy and the Western Union naval powers will conduct essential naval operations, including keeping the sea lanes clear. The Western Union and other nations will maintain their own harbor and coastal defense.
>
> Third, we recognize that the hard core of the ground power in being will come from Europe, aided by other nations as they can mobilize.
>
> Fourth, England, France, and the closer countries will have the bulk of the short-range attack bombardment, and air defense. We, of course, will maintain the tactical air force for our own ground and naval forces, and United States defense.

Fifth, other nations, depending upon their proximity or remoteness from the possible scene of conflict, will emphasize appropriate specific missions.[10]

A little emphasized but inescapable feature of this concept was the fact that such a division of labor could not, in the nature of things, overcome the disparity of armed strength between the U.S.S.R. and the North Atlantic partners in Europe. Along the critical "front" between the Swiss border and the mouth of the Elbe, this disparity was on the order of possibly 125 Russian to 16 Western divisions—a figure that included the 2 American divisions stationed in Western Germany. The disproportion was not significantly altered if the six poorly equipped Italian divisions and the small Danish and Norwegian forces were thrown into one scale and the armies of Poland, Czechoslovakia, and the smaller Soviet satellites into the other.

Completion of the North Atlantic defense machinery had never been expected to produce anything like physical parity with the Soviet world. General Bradley, testifying in August on the military assistance program, had been very clear on this point. "There is no idea," he said, "that this amount of arms . . . would in itself provide the nations of western Europe—specifically France, if you want to mention them—with the ability to stop the Russian Army. There is just not enough of it. Our whole contention is that it is going to take time—it may take 5 years, 10 years, for these countries to build up their defenses to the point where they can stop an aggressor. . . ." [11] Meanwhile, the most that any sponsor of the program had claimed was that it would tend to deter aggression by building up "sufficient strength to make it impossible for an aggressor to achieve a quick and easy victory." [12]

As the Western military establishments improved in quality and approached their long-range target of 36, 40, or 50 divi-

[10] *Mutual Defense Assistance Act of 1949: Hearings* on H.R. 5748 and H.R. 5895 before the House Foreign Affairs Committee, 81st Congress, 1st Session (Washington, 1949), 71; cf. above, p. 82.

[11] *Military Assistance Program: Joint Hearings,* cited, 108.

[12] Statement of Dean Acheson in *Mutual Defense Assistance Act of 1949: Hearings,* cited, 16.

sions, their deterrent value could be expected to increase in geometric proportion. For the immediate future, however, the forces in being would remain patently inadequate to prevent Soviet ground forces from overrunning the greater part of Western Europe, should that be the Soviet intention. Furthermore, the restraint supposedly exercised upon the Kremlin through American possession of the atomic bomb would hardly operate with the same force, now that the U.S.S.R. had managed to produce an atomic explosion of its own. Soviet production of atomic weapons might alter the military balance and would also give the Kremlin a powerful instrument of psychological pressure on every Western European country that lay within range of Soviet bombers or guided missiles. If the Soviet leaders still refrained from embarking on aggressive action, it was less because they were intimidated by the forces opposing them in Europe than because they knew that a westward move would involve them in an armed conflict of global dimensions. Such a risk presumably lay well beyond the present requirements of Soviet strategy.

Within the North Atlantic Treaty organization, meanwhile, certain problems seemed likely to demand recurrent consideration while the various committees were forging ahead with their detailed planning of strategic dispositions, training programs, production allocations, and the like. The formal commitment assumed by the United States did not entirely dispel European skepticism about the value of the American partnership. Public quarreling of the American defense services, coming on top of the loss of the atomic monopoly, was not calculated to lessen their misgivings. Neither were the cutbacks being made in the U.S. armed forces for reasons of economy.

Marshal Montgomery, during a visit to the United States in November, laid great stress on the problem of confidence in Western Europe as it was affected by evidence of American intentions. "The peoples of Western Europe," he said on November 29, ". . . want to know that their allies and friends will fight side by side with them to hold off the menace from the East should it develop. . . . Until they get stronger and perfect

their schemes for joint defense, it is vital that confidence should exist in the great allied principle: 'One for all and all for one.' Any form of limited liability will damage confidence and will therefore not work."

The initial frailty of the North Atlantic defense system drew attention to other problems whose solution lay outside the strictly military realm. One of these was the fact that Spain, with its vital position between the Atlantic and the Mediterranean and its antiquated but sizable army, stood apart from the Atlantic pact and was making no contribution to the common defense. From a military point of view there was much to be said for bringing Spain into the alliance. Winston Churchill was among those who had publicly deplored this "serious gap in the strategic arrangements for Western Europe." [13] Various American Senators expressed similar views; and Portugal's Premier Salazar lost no opportunity to call attention to the anomalous situation of his own country so long as Spain continued isolated. Politically, however, the Franco regime remained an unacceptable partner to several of the North Atlantic governments. By no stretch of the imagination could it be portrayed as a devotee of the North Atlantic principles of "democracy, individual liberty and the rule of law." The conflict between military and political desiderata threatened to keep the Spanish problem alive indefinitely as a source of disagreement within the North Atlantic family.

The certainty that Western Europe's ground defense would be largely a French responsibility gave special importance to the state of France's overseas commitments. Peculiarly unhappy from this point of view was the fact that a great part of the French army was bogged down in France's seemingly endless war in Indochina against the nationalist forces of Moscow-trained Ho Chi Minh. Already absorbing over one-fourth of the French military budget, the struggle might impose even heavier demands with the advance of the Chinese Communists to the Indochina border. France, and Western Europe, could ill afford

[13] *Parliamentary Debates, Weekly Hansard,* House of Commons, May 12, 1949, 2033. For further discussion cf. below, pp. 155-157.

this perpetual drain; yet the globalization of the cold war and the intensified Communist pressure on Southeast Asia made it doubtful that the West could afford to weaken its position in that critical area. Efforts to bring about a political solution in Indochina took on fresh importance when they were related to the pressing needs of the North Atlantic theater.[14]

Western Europe's manpower and other needs inevitably directed attention to that most explosive of all questions, the status of Western Germany in relation to the Atlantic pact and to the Western European community generally. So far as its location, resources, industrial capacity, and manpower were concerned, Germany could logically be regarded as the very center of any European defense effort. Set against these considerations was the recollection of Germany's past record, the omnipresent fear of Germany in Western Europe, and the fact that the Allied powers, determined to exorcise the risk of German aggression for all time, were still engaged on measures intended to keep the country permanently demilitarized and disarmed.

However abhorrent the idea of German rearmament might be to Europe's peoples and civilian statesmen, responsible military leaders felt that they could not afford to leave Germany entirely out of their calculations. During November high American, British, and French authorities firmly denied any intention of permitting German rearmament; but argument and speculation continued, both in Germany and abroad.[15] The tendency of opinion outside Germany was to insist, as a minimum safeguard, that the ban on German armed forces be maintained at least until the military establishments of the other treaty partners had grown strong enough to overbalance any German contingent. In whatever way such a principle might be applied, however, there was every prospect that the new German Federal Republic would soon become the North Atlantic partners' top military-political problem.

The German and Spanish questions exemplified the difficulty

[14] Cf. below, pp. 445-448.
[15] Cf. below, pp. 215-221, 303.

of reconciling military dictates with the larger aims of the North Atlantic community. Military measures were, after all, only one phase of the rehabilitation of Western Europe. Even if German manpower and Spanish strategic bases were shown to be vitally needed in a military sense, they could be had only at a price—a price that would include a sacrifice of political consistency and a violation of the moral feeling of millions of Europeans who would perforce be called upon to stand in the front line of any future conflict. To weigh the hypothetical military advantages against the evident political disadvantages would call for discernment on the part of the governments and parliamentary bodies of all 12 Atlantic countries.

2. *Decline of the "Third Force"*

The structure of Western European-United States cooperation had been erected by governments with a common concern for certain traditional values which they perceived to be directly menaced by the policies of the U.S.S.R. and international Communism. The specific political outlook and coloration of these governments varied widely. Their sense of community was broad enough to include the authoritarian-corporative regime of Salazar's Portugal and the statism of post-Kemalist Turkey, side by side with the doctrinaire, democratic socialism of the British Labor party. More often than not, however, the Continental governments approximated a special pattern which found its classic embodiment in France and its most suitable description in the term "third force."

The distinctive characteristic of such governments was the fact that they included neither Communists nor representatives of the extreme Right. Since 1947 no Communist had been entrusted with governmental responsibility in Western Europe, even in France and Italy where Communists and allied parties made up a substantial portion of the electorate and the legislative chambers. In these and several other countries, power was exercised by coalition regimes resting on an alliance of moderate elements of both socialist and "bourgeois" stamp. Thus the cabinet of Henri Queuille in France included representatives of

the Catholic MRP (Popular Republican movement), Socialists, Radicals, and minor parties; that of Alcide De Gasperi in Italy was made up of Christian Democrats with a leavening of right-wing Socialists, Liberals, Republicans, and independents. Belgium and the Netherlands were governed by coalition regimes in which Catholic and Socialist elements were prominent. Denmark, Norway, and Sweden had all-Socialist governments, but coalition cabinets of varying complexions functioned in Iceland, Ireland, Luxembourg, and Switzerland.

The United States had welcomed the formation of governments of this type. They shared its interest in stemming the surge of Communism across Europe and erecting a Western European system that would be capable of resisting Communist infiltration from within as well as possible aggression from without. In countries like France and Italy, they had seemed the only practical alternative to extremism of either leftist or rightist inspiration. They had served remarkably well as foundation stones of the O.E.E.C., Western Union, the Council of Europe, and the North Atlantic Treaty. Their disappearance would open the door to various disturbing possibilities—reentry of the Communists into position of authority, an open struggle for power among extremists of both sides, or a victory for authoritarian tendencies such as were associated in France with General Charles de Gaulle's "Rally of the French People" (RPF).

The utility of such a government as a defender of permanent Western interests depended on its ability to hold together a reasonable parliamentary majority and, outside of parliament, to mobilize consistent public support for its policies. In the last analysis, Western Europe's whole rehabilitation effort hinged on understanding and active cooperation by the broad masses of Europe's people. From this point of view, however, a non-Communist coalition government had certain inherent disabilities—disabilities which were especially evident in France and Italy, in many ways the key countries on the Western half of the Continent.

The principal weakness of the French and Italian governments and, in a lesser degree, of the Belgian and other regimes,

was the fact that they combined disparate elements of very divergent political and social tendencies. The governmental parties, united in their fidelity to democratic-parliamentary methods and their opposition to Communism, disagreed sharply on major issues of domestic policy and occasionally on foreign policy matters as well. In France, the Radicals and many of the MRP differed profoundly with the Socialists on the issue of nationalization, managed versus free economy, and questions of wage controls and social benefits. In Italy De Gasperi's Christian Democrats, the majority party, encompassed people of widely varying outlooks, from clericals and conservative landholders, priests and peasants, business and professional men to Catholic socialists and trade-union leaders whose viewpoint was not far removed from that of the right-wing Socialist party of Giuseppe Saragat.

The result was that these governments were subject to constant pulling in opposite directions. They could not move far to the left without alienating their more conservative backers, nor could they travel far to the right without losing popular support. There was a wide gap between their professed social objectives—such as the thoroughgoing land reform the Christian Democrats had promised in the Italian elections of 1948—and their actual performance.

Such slight movement as could be detected seemed to be more often to the right than to the left. By excluding the Communists and their many sympathizers, both the French and Italian governments made themselves more dependent on conservative support and thus, inevitably, ran a danger of becoming less responsive to the needs of the mass of the people. This fact raised peculiar difficulties for the Socialists—except those who, like the left-wing Socialists in Italy, followed the Communist line. If the Socialist parties withdrew from the governing coalitions, they would surrender full control of the state machinery to representatives of the "bourgeoisie." So long as they remained, however, they were forced to accept compromises that jeopardized their hold over their working-class following and threatened to drive the latter into the arms of the Communists.

The key position of the French and Italian working classes in European reconstruction made the Socialists' dilemma one for the other parties and for the United States as well.

In this situation, the development of European political life during 1949 could be looked at from various angles which suggested different conclusions. Viewed simply as a contest between Communist and anti-Communist tendencies, it gave grounds for solid satisfaction—grounds to which American officials never tired of pointing when they appeared in Washington as advocates of U.S. economic and military assistance programs. But if attention was directed away from the misfortunes of the Communists and toward the status of the "third force" governments on which U.S. policy relied, the picture was less satisfactory. Especially in France and Italy, the governing coalitions were wrestling with social and economic difficulties that raised serious questions about their durability. Though the year's events permitted no final judgment on the success of the "third force" experiment, they did produce results that a pessimist could interpret as the beginning of a process of disintegration. They caused some observers to ask whether popular support of governmental (and American) objectives was slackening, and whether it was not still much too early to claim victory in the political battle for Western Europe.

The setbacks administered to the Communist cause in 1949 are quickly narrated. The main Communist effort, directed against the North Atlantic Treaty, failed completely. Noisy amplifications of Soviet "peace" propaganda, threats to support the Soviet Union against the legal governments in case of war, violent parliamentary demonstrations, all were invoked without avail—the treaty was signed and ratified on schedule. Meanwhile the mass basis of Communist activity, contracting since early 1948 or before, continued to shrink. Election after election —in France in March, in Belgium in June, in Western Germany in August, in Austria, Norway, and Iceland in October—confirmed a trend that was easily verified by the mediocre success of Communist-led political strikes and street demonstrations wherever attempted.

Maurice Thorez, Palmiro Togliatti, and the other Communist leaders found their parties hard beset on various fronts. Ideologically, the visible results of American aid were doing something to undermine the Communist presentation of ERP as a smoke screen of U.S. "imperialism." The Vatican was pressing the psychological advantage it had gained in the defeat of the Communists in Italy the year before. On July 13 it launched a decree threatening to invoke major excommunication against Catholics throughout the world who defended and spread "the materialistic and anti-Christian doctrine of the Communists," and denying the sacraments to those who joined the party or read Communist literature. This drastic step was calculated to have a specially devastating effect in Italy, where many Communists had never been sure there was any inconsistency in simultaneous adherence to church and party.

On the labor front, the Communist-dominated World Federation of Trade Unions (WFTU) continued to feel the spreading effects of the withdrawal of the U.S., British, and Dutch affiliates in January.[16] Various other national federations seceded during the following months, and the Communist-controlled labor confederations in France and Italy underwent a parallel movement of withdrawal on the part of dissatisfied minority groups. In the meantime non-Communist labor organizations, including the American Federation of Labor (AFL), the Congress of Industrial Organizations (CIO), and the British Trades Union Congress (TUC), went ahead with their plans to establish a rival world labor body. In November and December, delegates from 59 trade-union organizations in 53 countries met in London to proclaim the founding of an International Confederation of Free Trade Unions with a program of bread, freedom, peace, and anti-Communism.

Internally, the Communists of Western Europe were fighting the same type of heterodox, "deviationist" tendencies that had appeared in Soviet-dominated Eastern Europe in connection with the revolt of Tito's Yugoslavia.[17] The normal tendency—

[16] *The United States in World Affairs, 1948–1949,* 195-196.
[17] *Ibid.,* 110-111, 125-126; and below, chapter VIII.

normal even among Communists—to react against overstrict regimentation was accentuated by failures that demonstrably had resulted from past adherence to the official party line. A crushing defeat in Norway's October election cost the Communists all of their 11 parliamentary seats; a party purge conducted in the following weeks resulted in the expulsion of more than half the party leadership for alleged participation in a "hostile, Trotskyist, Titoist, bourgeois national" group within the party. "Titoism" was also making inroads in the other Western parties: in December the central committee of the French party found it necessary to announce a rigorous campaign against Titoists and Trotskyists within its ranks, and Togliatti told an open secret when he admitted the prevalence of "ideological confusion" among some groups of Italian Communists.

Communist power could not, of course, be gauged solely in terms of mass appeal or ideological purity. To a considerable extent it depended on how much pressure the disciplined core of the party could bring to bear at decisive points in a real crisis —a matter that would remain in doubt until a crisis arose. It seemed evident, however, that the Communists still retained considerable leverage in certain important segments of the European population. Persistent, subtly directed Communist propaganda against the United States probably influenced a good many people who were unaware of its source. Anti-war sentiment furnished a rewarding theme for Communist agitation. Finally, the Communists had the ability to wait, and to profit by the errors of their opponents. What they failed to accomplish directly, they could assure themselves, might be accomplished for them by the internal contradictions and spreading disharmony that prevailed in the anti-Communist camp.

The reverse of the medal on which these Communist defeats were inscribed revealed a gradual but unmistakable reinforcement of the conservative tendency in European political life. Here, too, France and Italy were setting the pace. The long-term trend expressed itself in various ways. It was apparent in the slowly altering political complexion of national cabinets, in

the suspension of economic controls and the retreat from economic planning, and in the gradual shelving of the socialist and reformist aims which had loomed so large in the early postwar years. It could be seen in the increasing deference paid to clerical opinion, and in the growing political activity and self-assurance of the Vatican as it prepared to capitalize on the proclamation of the 1950 Holy Year. It expressed itself in a growing leniency toward the undemocratic regimes that continued to flourish in Portugal—which achieved membership in the North Atlantic family on April 4—and in Franco Spain, whose continued international ostracism was causing obvious embarrassment in Washington, London, and Paris.

Behind these individual manifestations, often trivial in themselves, lay a general change in the political atmosphere—a change that would be easy to exaggerate, but was palpable to many observers. The spirit that had inspired the "third force" experiment no longer seemed to possess the same potency. The ruling groups, content to rely mainly on the police forces to maintain order, showed what seemed a rather diminished interest in constructive action to counter the social agitation of the Communists. Socialists and progressives, disillusioned and divided among themselves, found it increasingly difficult to support governmental policies for which they had little or no sympathy and which, in their irritation, they often ascribed to American influence.

The Spanish question offered as good an illustration of the trend as any other. The war record and repressive character of the Franco regime remained an unfailing source of controversy, not only between East and West but also within the Western family itself. The development of common economic, political, and military institutions among the Western nations pointed up the anomaly of Spain's isolation, without altering the facts responsible for it. As time went on, however, and no practicable alternative to Franco appeared (and as Franco himself continued to inculcate the doctrine that the only alternative was Communism), various Western governments seemed inclined to a more tolerant attitude.

At the U.N. General Assembly meeting in May 1949, four Latin American states introduced a resolution calling for the revocation of the Assembly's 1946 ban on maintaining full diplomatic relations with Spain.[18] Poland, acting for the Soviet bloc, countered by submitting a resolution that called for an embargo on arms shipments to Spain, demanded a ban on all treaties and agreements with that country, and charged that the United States, Great Britain, and "several other countries" had "continued to strengthen their political and economic relations with Franco Spain, thereby preventing the establishment of a democratic regime." Gromyko, the Soviet delegate, brought forward an imposing array of allegations designed to prove that the United States and Britain were "actively converting Spain into a military base for use in a war . . . against the U.S.S.R." The Polish resolution, which presented a straight East-West issue, was defeated as a matter of course; but until the final vote was taken on the Latin American proposal on May 16, it was not certain that this pacifying gesture would fail to gain the required two-thirds majority. Norway alone among the North Atlantic treaty states voted against it; all of the others (except Italy and Portugal, which were not U.N. members) followed the Anglo-American lead and abstained.

"You cannot have an intimate working partnership with such a regime in the economic field and in the defense field," Acheson had said of the Franco government on May 11—adding, however, that U.S. policy was directed toward "working with the Spaniards and with the Western Europeans, bringing about a situation where . . . fundamental liberties do exist in Spain and where the Western Europeans can bring Spain into the community." At about the same time (May 16) the U.S. Export-Import Bank rejected, primarily on the ground of insufficient guarantees, an informal Spanish request for reconstruction loans in the aggregate amount of $1,275 million—more than the Bank's total resources. President Truman stated publicly on

[18] Cf. *The United States in World Affairs, 1945–1947,* 427-428. The 1949 resolution, which secured only 26 favorable votes to 15 against and 16 abstentions, was introduced by Bolivia, Brazil, Colombia, and Peru.

June 2 that he did not favor an Eximbank loan to Spain. Rumors of an impending Spanish-American rapprochement nevertheless continued to circulate, fed by such incidents as the Senate move to include Spain in ERP [19] and the "courtesy" visit of a U.S. Naval detachment to Cadiz for the first time since the Spanish Civil War. During the fall a veritable parade of American Senators—McCarran of Nevada, Taft of Ohio, Ellender of Louisiana, Chavez of New Mexico, O'Connor of Maryland, Thomas of Oklahoma—either paid visits to Franco or called more or less explicitly for Spain's inclusion among the associated Western nations. Late in December the authoritative voices of Senators Vandenberg and Connally were raised in carefully worded statements showing that they too were thinking along similar lines.[20]

In the case of Spain, American opinion seemed to be somewhat in advance of the sentiment in most of Western Europe, where ideological repugnance to the Spanish brand of fascism was more strongly marked. How far the United States should be considered responsible for the more general conservative trend in Western Europe was difficult to gauge. The fact that conservative parties managed to improve their standing in most of the free elections that took place during 1949 may have been pleasing to American authorities, but could hardly be ascribed to American influence. The most that could properly be said was that by its mere presence on the scene the United States, as a great, technically advanced, capitalist country heading a struggle to contain Communism, almost automatically fostered a conservative emphasis in European affairs.

American administrators realized that even non-Communist mass opinion in Europe tended to be somewhat radical by American standards, and made no conscious effort to impose American forms of thought and social organization. The problem of holding broad mass support for American objectives in Europe was, however, one that had never been adequately solved, despite the vigorous publicity efforts of State Department and

[19] Above, p. 86.
[20] *New York Times*, December 22 and 30, 1949.

ECA missions. The U.S. Government had given this social and psychological problem no such emphasis as it had given to pressing the externals of European integration. And by autumn of 1949 it was becoming permissible to question some of the political assumptions on which American policy in Western Europe seemed to be based.

The severest test yet to be encountered by the "third force" came in the aftermath of the British currency devaluation, which had also struck such a heavy blow at the spirit of intergovernmental cooperation. The inescapable corollary of the devaluations to which most Continental countries resorted after September 18 was a rise in the level of their domestic prices, a reopening of the gap between wage levels and living costs, a sharpening of the struggle for existence, and a renewal of the agitation for wage increases and cost-of-living bonuses which had been a recurrent phenomenon all through the years of postwar inflation. Governmental problems of fiscal and social policy that had lain just beneath the surface now reemerged in their full dimensions. In France the differences assumed crisis proportions and on October 5 brought down the government of Henri Queuille after a tenure of almost 13 months, the longest in the history of the Fourth Republic.

The immediate cause of Queuille's resignation was the impossibility of devising a solution of the wage issue that would satisfy labor and the Socialists without violating the economic principles of the Radicals and other opponents of an inflationary fiscal policy. Communist and anti-Communist labor confederations were at one in rejecting Queuille's proposals, which called for provisional maintenance of the existing wage ceilings, some benefits to the lowest-paid workers, government subsidies to reduce prices of certain cost-of-living items, and legislation to permit a return to collective bargaining. The same type of remedies, in different combinations and permutations, figured in each of the alternative programs that other aspirants to office put forward in the following 23 days. Jules Moch, a Socialist, and René Mayer, a Radical, successively obtained the

approval of the Assembly as premier-designate, but each failed to put together a cabinet to carry out his proposals.

Finally, on October 28, former Premier Georges Bidault of the MRP contrived a program and a cabinet list on which Socialists, Radicals, MRP, and minor groups could provisionally unite. Queuille and Moch became vice-premiers, and the retention of Robert Schuman (MRP) at the Quai d'Orsay provided a guarantee of continuity in foreign policy. But the tense situation of the following weeks, marked by continued labor unrest, frequent votes of confidence, and repeated Radical and Socialist threats to leave the cabinet, showed how thin the "third force" expedient had worn. To all appearances, France had entered a period of instability which might well play into the hands of the extremists. From the beginning of the crisis General de Gaulle and his followers had vigorously pressed their agitation for new national elections, which, they were confident, would increase their representation sufficiently to make possible a constitutional revision along more authoritarian lines. Consciousness of the threat of Gaullism on the right and Communism on the left had done more than anything else to keep the moderate parties at least nominally working together.

No comparable crisis developed elsewhere, but there were unmistakable signs of disruptive forces at work in other key countries. Even in Great Britain, political uncertainties were growing as the date of the 1950 general election drew nearer. In Italy, improvement in the economic situation had been accompanied by no significant inroads on the profiteering, unemployment, and labor unrest that marked the Italian scene. One of the feeble checks on the conservative tendencies of the Christian Democratic majority was removed at the end of October when the small right-wing Socialist group withdrew from the cabinet, a maneuver connected with the process of division and recombination that was incessantly going forward among those groups of Socialists who refused to compromise with Communism. Meanwhile the outbreak of serious agrarian disorders in southern Italy drew attention to the government's failure to take convincing action on the promised land reform.

Seizures of unoccupied lands in half a dozen provinces by columns of peasants who were frankly Communist-led emphasized the prevalence of social and economic discontent and the facility with which the Communists knew how to capitalize on it.

Belgium, whose exemplary economic recovery illustrated what a "third force" type of government could accomplish under favorable conditions, was in danger of becoming distracted by an emotional issue that had little or no direct relation to the problems of the hour. The June elections, by strengthening the Christian Social (Catholic) representation in parliament, had resulted in the formation of a new coalition of Catholics and Liberals and given impetus to the movement to restore King Leopold III from his Swiss exile. Leopold, whose wartime activities and questionable attachment to the constitution had resulted in his being declared "incapable of ruling" in 1945, was anathema to the Socialists, most Liberals, and many of the French-speaking element in the country, but was revered by a large part of the Flemish population and uniformly supported by the Catholic party. Announcement by Premier Gaston Eyskens that he had agreed with Leopold on an advisory referendum to test popular sentiment on the King's return provoked a veritable tempest. Socialist ex-Premier Spaak warned on October 24 that the issue was capable of destroying Belgium's unity and therewith the country itself. The vehement partisanship that accompanied arrangements for the referendum, ultimately scheduled for March 12, 1950, suggested that this view had been less exaggerated than it seemed at the time.

3. The Council of Europe Marks Time

It was in the midst of such national preoccupations that two key bodies of the Council of Europe—the Committee of Ministers and the Standing Committee of the Consultative Assembly—assembled in Paris early in November. The optimistic mood of the Strasbourg meeting three months earlier was not to be recaptured. Recriminations and retaliatory measures following the British devaluation had seemed only to intensify the diffi-

culty of devising a common European approach to even the gravest economic problems. Setbacks to the cause of European cooperation had imbued the Strasbourg gathering with what one British writer called "the nostalgic glow of a fading summer holiday." [21]

Two main problems confronted the Committee of Ministers at its three-day meeting on November 3-5. One was the proposal to invite the West German republic and the Saar territory to become associate members of the Council of Europe, a matter on which a generally favorable decision was reached with the concurrence of the Standing Committee.[22] The other was the necessity for taking some action on the 54 recommendations adopted at Strasbourg by the Consultative Assembly, several of them stemming directly from the Assembly's campaign to enlarge its own sphere of activity. Here the Ministers showed themselves in a decidedly negative mood. They made a few practical concessions but sidestepped or rejected those proposals that seriously threatened to upset the balance between the two organs.

Two Assembly recommendations were turned down on the ground that they would necessitate revisions of the Statute of the Council of Europe. Instead of authorizing the Assembly to pass on the admission of new members and to determine its own agenda, the Ministers said only that they would consult the Standing Committee on membership applications and would permit discussion—in practice, but not as a matter of right—of any subject within the legal scope of the Council of Europe. The request for budgetary appropriations for between-session meetings of the Assembly's committees was granted for three committees, but denied for four others. The Assembly's proposal for a convention on human rights was accepted and referred to a committee of experts; its recommendations on economic affairs were passed along to the O.E.E.C. without comment; those on cultural matters, on a European passport and patent office,

[21] Susan Strange, "Strasbourg in Retrospect," *World Affairs*, IV, January 1950, 4.
[22] Cf. below, pp. 209-210.

and on the system of representation in the Assembly were set aside for study and possible later action.

This mixed performance was highly unsatisfactory to the Standing Committee and still more so to the European Movement, the influential association of private national groups that had been the main driving force behind the Council of Europe. A statement issued from the Movement's headquarters on November 25 criticized the Ministers as having been "negative and dilatory" in their treatment of the Assembly's recommendations. The main lesson that most observers drew from the Paris meeting was that the governments as a group were as cautiously inclined as ever, and that the British Government continued to stand out as the chief obstacle to progress. When Bevin appeared before the House of Commons on November 18 he firmly reiterated his unwillingness to entrust any kind of governmental authority to an Assembly made up of individuals with no official responsibility. "We are willing to consult, get advice, hear views and get opinions," he said, "but beyond that we cannot go."

The official British position was logical but exasperating. To Bevin's critics one of its most distressing features was the way it complicated the outlook for the immediate future, when it would be necessary to face the looming problem of what to do with Western Germany. Among the strongest arguments for European unity was the contention that the revival of Germany would be shorn of its dangers only if it took place within the framework of a united Europe, and that only a united Europe would be strong enough to manage a revived Germany as one of its members. Britain, according to this theory, was an essential element in the combination, since Germany would be all too likely to dominate a united Europe from which Britain held aloof. The main issue of the coming months was posed by Spaak on November 28 at a conference of the European Movement when he declared that "the problem of European organization today depends mainly on Great Britain." In a Europe organized without Great Britain, he added, "Germany's part will be considerable—too considerable."

The over-all situation in Western Europe did not lend itself to any final evaluation from the standpoint of American interests. It was too early to strike a definitive balance of gains and losses, to gauge the extent to which European cooperation had been set back by devaluation and its aftermath, or to measure the decline in American popularity and prestige that seemed to be occuring as common objectives receded into the distance. Clearly, momentum had been lost, and a certain bewilderment concerning American aims seemed to be holding up progress. Much would certainly depend on the success with which Western Europe and the United States jointly attacked the two most challenging problems of the coming months. One of these was the necessity for definite decisions on the future of the young German Federal Republic. The other was the need to convince American opinion that the Western European countries were seriously determined to do something about the integration of their economies.

CHAPTER SIX

DEMOCRATIC PROSPECTS IN CENTRAL EUROPE (I)

NO PROBLEM confronting the victorious United Nations in the months that followed Hitler's overthrow was more vital for the future of Europe and the world than the problem of conquered Germany. Even in defeat and dissolution, Germany retained characteristics that would make it an essential element in any future European order, but also a potential danger to future stability and peace. Could the energies of this populous and gifted nation be guided into mutually beneficial channels, or would they be left to seek new outlets at the expense of the world community as a whole?

In the period immediately before and after V-E Day, many Americans underestimated the difficulty of reconstituting a peaceful Germany from the ashes of Hitler's Third Reich. Fully alive to the enormity of Nazi crimes and the vital importance of effecting a revolution in German attitudes, they tended to place exaggerated faith in mechanical schemes of democratization and educational reform and to overlook the complexity of the psychological problems involved. While recognizing the sincerity and good will that inspired such efforts, it was possible to question whether the specific traits that history had made prominent in the German outlook were really capable of transformation by any outside agency, especially by the armies of victorious powers amid the aftermath of a great war. As time went on it became increasingly evident that the tremendous psychological shock the German people had experienced in the overthrow of their leaders and the devastation of their homeland called for a more subtle approach than could fairly be expected of any national military government organization.

Under the actual conditions of the postwar years, the inherent difficulties of the German problem were artificially multiplied by the incidence of the East-West conflict. Germany became not merely the object of Allied pacification efforts but also, and increasingly, the stakes of a struggle among the Allies themselves. Failing to agree on uniform policies to fill the vacuum created by the destruction of Nazism, the four great powers proceeded to apply distinct policies in their respective zones of occupation. While nominally leaving the door open for a return to unified administration in the future, both Russia and the Western powers—the United States, Great Britain, and France—applied themselves to developing the portions of Germany under their control in accordance with their own ideas. In so doing they sought both to safeguard their immediate interests and to ensure that these interests would not suffer if Germany were subsequently reunited.

Two antithetic political, economic, and social systems thus took shape in Germany, separated by the dividing line between the Soviet and Western occupation zones. In the Soviet zone there developed an approximation of the regimented, socialistic, Communist-dominated "people's democracy" that flourished in the Soviet shadow in Eastern Europe; in the U.S., British, and French zones, an approximation of free economic enterprise and a synthetic type of parliamentary government which bore at least a surface resemblance to Western liberal democracy. The German people, meanwhile, were confined for the most part to passive acquiescence on both sides, though obviously the majority of Germans preferred the more humane methods adopted in the West. As the punitive character of the occupation gradually relaxed, they slowly recuperated from the catastrophe of 1945 and half-unconsciously seemed to await the day when the widening rift between East and West would restore to them their freedom of maneuver.

The divergent tendencies of East and West in Germany reached a climax in June 1948 in three events: the agreement to establish a separate government in Western Germany, the reform of the West German currency, and the imposition

of the Soviet blockade of Berlin, which was maintained without interruption from June 24, 1948 to May 12, 1949. During the months of the blockade and the Western counterblockade of the Soviet zone, the Western powers painfully accommodated their views on the federal government they had determined to establish in Western Germany until such time as a hypothetical German unity might be restored. Their understanding, and the basic constitutional law elaborated with their advice by an elected assembly of West German representatives, were virtually complete at the time of the New York agreement of May 1949 to terminate the blockade and counterblockade and convene a meeting of the Council of Foreign Ministers.[1]

The decision to resume four-power contacts on the German problem reopened various old questions which had come to seem increasingly academic during the interval since the last meeting of the Foreign Ministers in December 1947. Could Germany after all be reunited, as all of the Allies professed to desire, or was it to remain permanently split, as their actions of the past two or three years had seemed to assume? Union would presuppose a much greater measure of inter-Allied agreement than had existed at any time since the Potsdam conference in 1945, and would thus presuppose a radical change in Soviet policy. But either alternative—union or division—bristled with subsidiary difficulties for all four powers.

If Germany were to be reunited, under which of the two types of "democracy" would the process take place, Western or Eastern? and with what safeguards against the return of Nazism or some similar movement? What controls would be retained to prevent Germany from becoming a threat to international peace, or from falling under the one-sided domination of either power group? What definitive reparation obligations would the new state assume? What would be its permanent frontiers, in east and west? What disposition would be made of the great arsenal of German military strength in the Ruhr Valley, and of the Saar territory which the French had already

[1] Cf. above, pp. 35-36.

integrated into their economy? Questions like these had defied solution in all previous four-power gatherings.

On the other hand, if the division of Germany between two hostile worlds was to be confirmed and made permanent, how could normal conditions in Central Europe ever be restored? How were the two halves of Germany to live separated from each other? How long could the Western powers hope to retain their isolated foothold in Berlin, especially while denying Russia a voice in the control of the Ruhr? Above all, how long would the divided German people remain quiescent, and in what way would their probable national resentment and their opportunity to profit from the East-West antagonism affect the chances of a lasting peace? Whatever the outcome of the Foreign Ministers' conference, the German situation would remain full of grounds for anxiety.

1. *Germany Remains Divided*

By the beginning of 1949 the Western governments had largely reconciled themselves to the prospect of a divided Germany, and made considerable progress toward a definitive organization of the parts of Germany under their control. While the negotiations that preceded the scheduling of the Paris conference were going forward, the U.S., British, and French Foreign Ministers met in Washington early in April and completed their agreement on a wide range of unresolved issues, thus in effect establishing a strong and united front in preparation for any new Soviet political maneuvers.[2]

The determination to go ahead with a separate organization of Western Germany had raised its own thorny and still unsettled problems for the Western family. The fundamental issue was whether the Germans were to be regarded as beaten but still dangerous enemies or as weakened but potentially useful friends—or rather, since no absolute choice between these alternatives was possible, whether a workable synthesis of the

[2] For the detailed background cf. *The United States in World Affairs, 1948–1949*, 464-496.

two could be devised.[3] The agreed objectives of the Western powers embodied no real solution of this dilemma. These objectives were, first, security against any future German aggression; second, economic recovery to a point where Western Germany would cease to be a burden on the occupying powers, principally the United States; and third, political rehabilitation, along Western democratic-parliamentary lines and within the framework of an association of Western European nations. But when it came to applying these general principles, great differences of interpretation and emphasis persisted within the Western camp.

The United States, which was bearing most of the financial burden of maintaining the West German economy, tended increasingly to emphasize economic recovery on a basis of free enterprise, and rapid political progress even at the expense of reduced Allied controls. France, at the other extreme, made security the prime objective, placed little or no faith in the new Germany's peaceful intentions, and took a jaundiced view of German economic recovery, which seemed likely to overshadow France's own in terms of both industrial and military potential. Somewhere between the two, Great Britain's Labor government felt definite misgivings about a revival of German power, but advocated a fair opportunity for the Germans to "work their passage home" and showed some sympathy for the German Social Democrats, whose aim of bringing about the socialization of German industry coincided with Labor preferences. Belgium, Luxembourg, and the Netherlands, being largely dependent on Germany in an economic sense, made it clear, when permitted to express an opinion, that they particularly resented those features of the occupation that interfered with the restoration of their prewar trade and transport relations with Germany.

The Washington agreements of April 1949, supplementing various specialized agreements of earlier date, virtually com-

[3] For a pungent statement of the problem see the remarks of Harold Macmillan, leading British Conservative, in *Parliamentary Debates, Weekly Hansard,* House of Commons, July 21, 1949, 1581.

pleted the framework within which these conflicting interests would operate. Security against aggression—guaranteed initially by the disarmament and dissolution of all German armed forces, the trial and punishment of major Nazis and war criminals, and the outlawing of the National Socialist party and its affiliated organizations—was to be safeguarded for the future by a tripartite Military Security Board with authority to investigate and report to the Allies on matters involving disarmament, demilitarization, and the revival of prohibited military potential. An agreement on "prohibited and restricted industries" outlawed German production of war materials, including aircraft, and certain industrial products directly related to war production, and limited the capacity or production of other industries such as steel, aluminum, shipbuilding, and ball and roller bearings.

Other limitations on German industrial capacity were implicit in a revised and supposedly final agreement on the dismantling of industrial plant for security reasons and for reparations. Designed to put an end to the uncertainties that had long plagued both Germans and potential recipients under the reparations program, this agreement exempted part or all of 159 plants out of the 1,800 originally scheduled for removal, but established an over-all ceiling of 11.1 million tons on steel production in the Western zones. As for the great industrial arsenal of the Ruhr, these general restrictions would be reinforced by the work of an International Authority for the Ruhr, representing the six Western governments and Germany, with power to allocate coal, coke, and steel production between export and domestic consumption and to protect Ruhr industry against the growth of monopolistic or pro-Nazi influences.[4]

A final aspect of the Western program for preventing German aggression was the policy of "decartelization" or the breaking up of the large industrial and financial combines which had facilitated Nazi conquests. Decisive action in this field had been

[4] The texts of all important Western Allied agreements and other documents on Germany up to September 1949 are available in *Germany 1947–1949: The Story in Documents* (Department of State Publication 3556, Washington, 1950).

inhibited both by the difficulty of disentangling the complex ownership relations of the German economy and by differences between the British preference for concentration of large industries under public ownership, French insistence on the primacy of Allied controls over German industry, and American reluctance to embark on a full-scale trust-busting program. Controls over decartelization and deconcentration were, however, among the powers which the Western Allies intended to reserve for themselves even after governmental authority in internal matters was returned to the Germans.

These varied security measures had not prevented a marked recovery of economic life, stimulated by Western Germany's inclusion in the Marshall Plan and by the currency conversion in the three Western zones. A steady rise in industrial production followed this event; by the first quarter of 1949, industrial production in the Anglo-American and French zones stood at 84 and 80 percent, respectively, of the 1936 level. Exports underwent a comparable increase, but still remained far below prewar levels; the resultant gap in the balance of payments, equivalent to perhaps half the value of imports into the Western zones, was filled partly by ERP allocations and partly by direct appropriations of U.S. funds. A new stage of German economic recovery was scheduled to begin when the projected federal government came into existence, signed a bilateral ERP agreement, and became a full member of the O.E.E.C. What would happen to Western Germany after American aid ceased was one of the great unsolved questions which might have a decisive bearing on the country's political future. Meanwhile there remained a number of serious internal economic problems, most conspicuous among them being the maladjustments resulting from the presence in the Western zones of some 8 million refugees from former German territories taken over by Poland and the U.S.S.R.

The political counterpart of these Allied arrangements was the "Basic Law for the Federal Republic of Germany" which the Parliamentary Council at Bonn formally adopted on May 8, 1949. Worked out over a period of eight months, in consulta-

tion with Allied representatives and under repeated Allied prodding, this provisional constitution was designed to serve "for a transitional period" and would have effect in the 11 states (*Länder*) of the U.S., British, and French zones until "the day when a constitution adopted in a free decision by the [entire] German people comes into force." It established a federal government with a president, a chancellor, two legislative chambers, and elaborate checks and balances affecting the distribution of powers between the federal and state governments and between the federal chancellor and the legislature. Keenly aware of the failure of Germany's experiment in democratic government after World War I, the Bonn assembly buttressed its constitutional draft with a detailed enumeration of fundamental rights and a stipulation that these rights would be forfeited by those who abused them to attack the basic democratic order. Other provisions outlawed activities tending to disturb peaceful international relations and explicitly authorized certain limitations of national sovereignty in the interests of peaceful international cooperation.[5]

With the establishment of the new constitutional regime the Western Allies had promised that supreme Allied authority in Germany would be transferred to a civilian Allied High Commission with final jurisdiction in matters lying outside the purely military realm. As between Allies, procedures of the Allied High Commission were spelled out in a special agreement which provided for majority rule except in peculiarly vital matters, where unanimity was required and provision was made for appeals to the governmental level. As between Allies and Germans, future relations were to be governed by an Occupation Statute which reserved supreme authority to the three governments and stipulated that they would continue to exercise direct control in certain critical fields such as disarmament and security, reparations, decartelization and deconcentration, foreign affairs, economic policy and foreign trade, displaced persons, and respect for the federal and *Land* constitutions. While emphasizing their desire to transfer responsibility to the

[5] Text in *Germany 1947–1949: The Story in Documents*, 283-305.

Germans as rapidly as the latter showed themselves capable of exercising it, the Allies thus retained the decisive powers, formally at least, in their own hands.

At bottom all of these arrangements were directed toward rehabilitating the 48 million inhabitants of Western Germany as members of a peaceful, self-respecting, reasonably prosperous nation which would fit into the structure of an integrated Western Europe and would see eye to eye with the Western powers on the great issues of the cold war and the postwar world generally. Whether or not they would succeed depended on the readiness of the Western Germans to accept in good faith the opportunity that was offered them, together with the limitations necessitated by Germany's past record. In the last analysis the whole experiment would stand or fall with German cooperation. This was the critical risk in the whole undertaking. Would the Germans cooperate? Had they, as the result of overwhelming military disaster and four years' occupation by Western armies, sincerely turned their backs on the perverted ideals of Hitlerism? Could they be relied upon to pursue their national destiny in association with, rather than at the expense of, other nations? Would they be steadfast in resisting totalitarian temptations from either Right or Left?

These were vital questions that only the future could answer. As yet, German attitudes had not fully crystallized. Amid the inchoate tendencies of German life, evidence could be found to support both optimistic and pessimistic conclusions. Against indications of genuine sympathy with the broad aims of the Allies, it was necessary to place disturbing signs of an opposite trend. Most Germans appeared sincerely anti-Russian and anti-Communist, a fact which tended to place them in the Western camp but did not necessarily qualify them as either peace-loving or democratic. Instances of authoritarian, hypernationalistic, anti-Semitic, and outright Nazi attitudes were prevalent enough to cast considerable doubt on the success of Allied reeducation efforts during the first critical years of the occupation.

Those features of the German social structure which had

helped to produce Nazism remained virtually unaltered, and the so-called denazification program, directed at eliminating influences associated with the Hitler regime, had fallen short of expectations. One American observer thus summarized the results of denazification in the American zone as the program approached completion in 1949: "Some 950,000 trials had been held; 1,600 had been judged Class I and 21,600 Class II Offenders. Only 22,700 were still ineligible to hold public office. The very top Nazis were—temporarily—immobilized, but otherwise, Nazis, militarists, industrialists, and bureaucrats were free to re-enter society. And they re-entered in thousands; the flood of 'renazification' ran full tide. From 40 to 80 percent of the officials in many branches of public administration are now reinstated former Nazis." [6] The significance and the seriousness of these facts were subject to a good deal of controversy in Allied circles, but the trend seemed unmistakable.

As Allied controls relaxed, the true strength of the reactionary, nationalistic tendencies in German life would be easier to gauge. In the meantime, however, it seemed to the Western governments less risky to seek German cooperation on their own terms than to accept cooperation with the Russians in Germany on any terms the latter were likely to propose. Among the 17 million Germans of their own zone, the Russians had proceeded with more consistency of political aim than the Western powers, and had developed political machinery which could become a formidable challenge to Western interests in Germany as a whole. Unencumbered by humanitarian restraints and without respect for variations of political opinion, the Russians had begun by eliminating both the major Nazis and the social power of the agrarian and industrial-financial groups which had stood behind German militarism and Nazism. By force and favoritism they had developed in the Socialist Unity

[6] William E. Griffith, "Denazification in the United States Zone of Germany," *Annals of the American Academy of Political and Social Science*, vol. 267, January 1950, 73-74. Class I and Class II represented the "Major Offender" and "Offender" categories respectively.

party (SED) a political instrument pledged to the fulfillment of their aims and capable, with the aid of Communist-dominated labor, youth, farmers', women's, and other organizations, of overbearing any opposition from the intimidated non-Communist parties of the five East German *Länder.*

In four years' time the Russians and German Communists had carried out a social and economic revolution in the Soviet zone, created a working simulacrum of the "people's democracies" of Eastern Europe, complete with two-year economic plan, and initiated an energetic nationalist propaganda which was directed not only at helping the people of the Eastern zone to forget their troubles but also at rousing the Germans of the Western zones against Allied occupation policies. Ignoring the large tracts of German territory annexed by Poland and the U.S.S.R., SED spokesmen harped continually on the theme of German unity and the alleged responsibility of the West for Germany's "partition." By keeping alive the issues of the Ruhr, the Saar, and the minor territorial adjustments carried out by the Western governments, they endeavored to undermine public support for the political advance of Western Germany.

As a major instrument in the political battle for Germany, the Russians and the SED had organized a so-called People's Congress, a typical Communist-controlled mass organization headed by a People's Council, which through 1948 served as the spearhead of this unity propaganda and the nearest equivalent of the democratically elected Parliamentary Council at Bonn.[7] In answer to the Bonn Basic Law, the People's Council on March 19, 1949 unanimously approved its own draft constitution, ostensibly intended for an "indivisible, democratic republic" of all Germany. Obviously designed to outclass the Bonn constitution in its appeal to national sentiment as well as in its espousal of a radical social philosophy, it provided for a more highly centralized type of government, vested supreme authority in a "People's Chamber" in which mass organizations as well as political parties were to be represented, and

[7] *The United States in World Affairs, 1948–1949,* 66, 80, 82, 495.

generally answered to the Soviet rather than the Western concept of democracy.[8]

Concurrently with the preparations for the Paris conference, the People's Council and other organs stepped up their propaganda for restoration of German unity and for an early peace conference and withdrawal of occupation forces. Repeated invitations were extended to the leaders of the Bonn assembly to participate in a conference on German unity, and nationwide elections for an All-German People's Congress to consider the new constitution were scheduled for May 15 and 16. These elections, prohibited in the Western zones, were held on schedule throughout Eastern Germany, one week before the Paris meeting. Their outcome was, under the circumstances, a striking reverse for the SED and the occupation power. Despite the use of pressures that recalled the atmosphere of a Hitler plebiscite, the announced vote in favor of the approved list of candidates was not quite 2 to 1. Unofficial estimates of the "No" vote ran much higher.

This display of opposition sentiment was calculated to confirm Western opinions regarding the unpopularity of Soviet rule, and may have had something to do with Vyshinsky's failure to take a stronger pro-German line at Paris. For the Western governments, however, the essential point about the Soviet political system was the fact that despite its unpopularity it was, for all practical purposes, effective in carrying out Soviet policies. In calling for a new meeting of the Council of Foreign Ministers, the Soviet leaders had presumably hoped that at least some features of the system could be extended to the whole of Germany. From the Western standpoint, however, no mistake could be more dangerous than an agreement with the Soviets that left any such loophole for Communist infiltration of the political machinery in the West.

Though willing to sit down with the Russians, and quite ready to extend their own system to Eastern Germany should that be possible, the Western Foreign Ministers felt that they could not agree to any proposal which would undo their own

[8] Text in *Relazioni internazionali,* XIII, May 28, 1949, 352-358.

work in the West or open the door of their zones to Russian influence. "The people of Western Germany," said Acheson in an important address on German policy on April 28, "may rest assured that this Government will agree to no general solution for Germany into which the basic safeguards and benefits of the existing Western German arrangements would not be absorbed. They may rest assured that until such a solution can be achieved, this Government will continue to lend vigorous support to the development of the Western German program. The people of Europe may rest assured that this Government will agree to no arrangements concerning Germany which do not protect the security interests of the European community. . . ."

As already indicated, the negotiations at Paris found the Soviet and Western viewpoints on Germany too far apart for serious discussion of means for reuniting the four zones.[9] Vyshinsky proposed to secure German unification by reestablishing the defunct four-power control organs and creating a narrowly limited "all-German state council," based on the existing German economic organs in the Eastern and Western zones. The Western ministers, led by Acheson, countered by proposing to extend the Bonn Basic Law and the Occupation Statute to the whole of Germany, with special guarantees for the introduction of full personal and political freedom in the Eastern zone. Vyshinsky declared these proposals unacceptable, contrary to the Yalta and Potsdam agreements, and inimical to the interests of the German people. The ministers thereupon abandoned the attempt to heal the division of Germany, contenting themselves with an instruction to the occupation authorities to consult together with a view to mitigating its effects.

The Foreign Ministers' deliberations on the Berlin problem reproduced in miniature their fruitless discussions of German unity. To bridge the sharp division of the former capital into separately governed Eastern and Western sectors, the Western

[9] Above, pp. 40-42. For a full digest of the published information on the Paris meeting see "Der 'Modus Vivendi' in Europa: Die Ost-West Beziehungen und die Pariser Aussenministerkonferenz von 1949," *Europa-Archiv,* IV, August 20, 1949, 2383-2398.

ministers joined in putting forward a U.S. proposal for free city-wide elections, a unified city government with broad powers, and limitations on the veto rights of the occupation authorities. Vyshinsky, on the contrary, stood out for the retention of wide powers by the four-power control organ and the maintenance of the veto principle. With respect to the intricate problem of Berlin's currency, Vyshinsky proposed nothing more constructive than to go back to the controversial Moscow directive of August 30, 1948, which called for the introduction, under appropriate safeguards, of the Soviet zone currency throughout the city. His Western colleagues saw no advantage in resuming the endless wrangles over the application of this directive that had consumed much of the past nine months,[10] and rejected the proposal.

Remaining questions were handed to the occupation authorities, with instructions to consult on the means of expanding personal and economic contacts among the several occupied areas, including Berlin, and to "take the measures necessary to ensure the normal functioning and utilization of rail, water and road transport." After some inconclusive sparring with reference to the correct procedure for drawing up peace treaties with Germany and Japan, the conference adjourned. Its one concrete achievement, aside from the reaffirmation of the New York agreement on the blockade, was the decision to speed negotiation of the long-delayed treaty with Austria.[11]

2. *Federal Republic at Bonn*

Lack of agreement on the fundamental issue at Paris left the Western powers free to proceed with the plans already worked out for their own portions of Germany. Preparations to establish the German Federal Republic had not been halted while the Foreign Ministers were in session. Immediately on its adoption by the Parliamentary Council, the Basic Law was referred to the Western Military Governors, who approved it

[10] *The United States in World Affairs, 1948–1949,* 144-148, 457-463.
[11] See below, pp. 227-229.

on May 12—suspending the operation of a clause declaring Greater Berlin a member state of the Republic. From the Military Governors the law went for ratification to the legislative bodies of the 11 West German states, 10 of which approved it by substantial majorities. In particularist Bavaria alone the parliament rejected the Basic Law but nevertheless voted indirectly to join new the federation. Ratification completed, the Parliamentary Council formally proclaimed the Federal Republic on May 23, while the Allied governments prepared for the changeover to civilian control which would become effective as soon as a new government was in being.

Certain decisions of the Parliamentary Council for the transitional period before a government was established gave rise to transitory friction with the occupation authorities. Of more than passing importance were those concerned with the election of the *Bundestag* or lower house of the federal legislature. The Bundestag would be chosen on a republic-wide basis and would be far more of a national body than the upper house or *Bundesrat,* whose members would represent the individual states. The electoral law adopted by the Parliamentary Council, providing for a combination of the proportional representation and single-member district systems, was generally acceptable to the Allies, but differences arose over the question whether or not its adoption should be mandatory on the state governments. After prolonged inter-Allied and Allied-German negotiations, during which the powerful Social Democratic party threatened at one point to boycott the elections if its wishes were disregarded, the law was made applicable to all of the states and it was determined that 40 percent of the deputies would be chosen by proportional representation. The date of the election was fixed for August 14.

Previous postwar elections on the local and state levels had given the new generation of Western Germans a certain amount of experience with democratic electoral procedures and had fostered the growth of two or three large political parties, generally moderate in outlook and with reasonably stable electoral support. The Social Democratic party had confirmed its histori-

cal position as a strongly democratic, anti-Communist force and chief representative of labor interests; the new Christian Democratic Union (in Bavaria, the Christian Social Union) appealed to both religious and broader middle-class groups; and the Free Democratic party, with a platform emphasizing economic liberalism, drew its main support from the business community. For extremists of the Left there was the small, energetic German Communist party; for those of the Right, a variety of authoritarian and nationalist parties and organizations, many of them established on a regional or special-interest basis.

The main problem of the 1949 elections was how the overall distribution of party strength would be affected by the advent of several million new voters, including refugees from the East, returning prisoners of war, and former Nazis and others who for various reasons had been disqualified from voting in previous elections. Given the considerable grounds for social discontent of some of these groups, especially the refugees and those who had lost their homes and possessions through Allied bombing, a pronounced strengthening of the radical right wing in German politics appeared quite likely.

The situation in Western Germany did not make for an election campaign fought on one or two clear-cut issues. To a considerable extent political activity was still circumscribed by the same factor that had given an air of unreality to past German elections—the fact that the decisive voice in German affairs remained that of the occupying powers. Matters of domestic economic policy loomed large in the oratorical exchanges of Kurt Schumacher, the fiery leader of the Social Democrats, and the chief Christian Democratic spokesman, Konrad Adenauer; but neither the full socialization demanded by the former nor the ideal of free enterprise upheld by the latter seemed capable in the circumstances of being fully translated into official policy. More immediate issues that produced a good deal of inconclusive campaign oratory were the housing shortage, the distribution of economic burdens resulting from the war, the evils of the denazification program, the future of the refugees, and

the ancient problem of religious teaching in the educational system.

To judge by the tone of campaign speeches, however, such issues were overshadowed by those that concerned Germany's status as a nation. All parties, including the Communists, vied with each other in posing as champions of German national interests against the nefarious actions of foreign powers. While the non-Communist parties leveled their most violent denunciations against the U.S.S.R. as the real author of German partition, plenty of criticism was reserved for the Western powers and their continued "interference" in German affairs, especially as reflected in the Occupation Statute and the dismantling program.

During the spring the commencement of limited dismantling operations under the "final" Allied agreement of April had called forth unexpectedly widespread and vigorous protests by labor, business, governmental, and religious spokesmen, occasioned strikes by affected workers in the Ruhr area, and in one instance obliged the British authorities to call in troops to protect German dismantling crews. The furor over dismantling did much to crystallize German resistance to Allied policies and helped to make "nationalism" the outstanding feature of the election. Foreign observers differed about the real significance of these nationalistic outbursts. They could be interpreted as a desperate attempt to stir popular interest in a campaign that was otherwise somewhat perfunctory. Yet no one could consider them the most favorable augury for the re-entry of a chastened Western Germany into the European community.

To the extent that German nationalism in its more dangerous forms could be regarded as a monopoly of radical right-wing groups, the outcome of the balloting on August 14 was reassuring. Out of a total vote of 24.5 million—more than three-fourths of all eligible voters—the so-called extremists of the Right polled less than 10 percent, the exact tally depending on where the line was drawn between "extremists" and "moderates." Some of the refugees, former Nazis, and other discontented elements voted for one of the established parties;

others wasted their votes on special refugee lists or independent candidates who were subsequently eliminated by the operation of the electoral system. The main result of the voting was to confirm the preponderance of the big middle-of-the-road parties, the Christian Democrats, with 31 percent of the popular vote, the Social Democrats, with 29.2 percent, and the Free Democrats, with 11.0 percent. On the extreme left, the Communists suffered heavy losses, receiving only 5.7 percent of the total.

"A victory for moderation and common sense," was the verdict of Secretary Acheson, who pointed out that extremists of rightist and leftist stamp would together control less than 10 percent of the seats in the Bundestag. In what seemed an unusual display of political preference, the Secretary of State voiced the pleasure of the United States at the Germans' apparent desire "to seek a solution of their economic difficulties through a system of free enterprise." His choice of words, however, showed awareness that the failure of the Social Democrats to gain a majority was not conclusive in this regard, and that the matter was essentially one the Germans would have to settle for themselves. So far as the "nationalistic and critical utterances of the candidates" were concerned, Acheson suggested that these could be "viewed as normal manifestations of the democratic process and a release of long pent-up emotions after 16 years of dictatorship and military rule." Nevertheless, he warned, abuse of the freedoms granted by the Allies might "alienate Western sympathies while failing to serve the best interests of the German people."

Few comments on the election rivaled Acheson's in optimism. Some observers were less impressed by the heavy vote, which was not new in German political life, than by the prevalence of nationalist and authoritarian trends even within the successful, ostensibly moderate parties, the Christian Democrats and Social Democrats. Still, the orderly conduct of the election and the repudiation of extremism as such were encouraging signs. At Strasbourg, Winston Churchill found no reason to delay his proposal that the German Federal Republic be invited to

join the Council of Europe, if not immediately then at a special session early in the winter. Bidault, for France, professed to favor the suggestion in principle, though only subject to the concurrence of the French parliament and on the understanding that a separate invitation to join the Council of Europe would be tendered the French-oriented Saar territory.

The political maneuvers that accompanied the formation of the new government in early September revealed a diversity of attitude that deepened the skepticism of the pessimists about the prospects for German democracy. Although the partial abandonment of proportional representation had tended to increase the parliamentary strength of the larger parties and cut down the splinter groups, it failed to provide any party with a clear majority in the Bundestag. Out of a total membership of 402, the Christian Democrats and the Bavarian Christian Social Union held 139 seats, the Social Democrats 131, and the Free Democrats and associated groups 52. In view of the sharp personal and ideological cleavages between Christian Democrats and Social Democrats, a coherent working majority could thus be obtained only through an alliance of Christian Democrats and Free Democrats.

The largely honorific post of President of the Republic was filled without major incident by the election of Theodor Heuss, chairman of the Free Democratic party. Heuss, in turn, designated Konrad Adenauer as Chancellor. On September 15 the Bundestag approved the 73-year-old Christian Democratic leader by a bare majority of 202 votes out of 402. Apparently unconcerned at the slimness of his initial majority, Adenauer proceeded to select a cabinet consisting of seven Christian Democrats and two Christian Socials, three Free Democrats, and two members of the German party, a right-wing group concentrated in North Germany.

Since before the election it had been obvious that if placed in authority Adenauer would become the main spearhead of German pressure for concessions from the Allies. His position as head of the federal government and of the Christian Democratic Union virtually forced him to take a strong stand for

reasons of domestic politics. Himself a long-time critic of the dismantling program, which had meanwhile been causing new disturbances in the Ruhr and heated declamation in the Bundestag, Adenauer had also to compete with the strong anti-dismantling agitation of Schumacher and the Social Democrats. Perhaps even more important, he had to keep one eye on the various right-wing, ultra-nationalist groups outside the assembly who were impatient with democratic processes to begin with and would be only too glad to see the whole Bonn experiment discredited. These were the groups that Soviet propaganda from the Eastern zone was doing its best to encourage.

Even before his formal designation as Chancellor, Adenauer as well as Schumacher called on the new U.S. High Commissioner, John J. McCloy, to impress him with the seriousness of the situation brought on by dismantling and to recommend that operations be halted. These views McCloy undertook to forward to Washington. Similarly, when the text of the Occupation Statute was formally communicated to Adenauer by the Allied High Commission, the Chancellor took the opportunity to inform the Commissioners that the federal government hoped for steady revision of the Statute and, furthermore, would like to see the international control of the Ruhr extended to take in basic industries of other European countries. The campaign to free Western Germany of special disabilities resulting from the war was already in full swing.

Adenauer's main address to the Bundestag on September 20 emphasized the two-sided nature of the new government's policy—its desire to gain real independence, and its conviction that wholehearted cooperation with the Allies was the only way of doing so. Speaking with a restraint that contrasted sharply with the fervid nationalism of some speakers in the opening debate, he declared that the Occupation Statute, though leaving a great deal to be desired, at least was an improvement over the previous "juridically unjust conditions." "For the German people there is no way back to freedom and equality except by remounting, side by side with the Allies, the slope down which it fell after the total collapse caused by National

Socialism. The only road to freedom which remains to us is to try, in agreement with the High Commissioners, to enlarge progressively our rights and liberties."

"There is no doubt," Adenauer continued, "that we belong to the Western world, by origin and by our conception of life." As to the East, "However rigid the iron curtain that divides Germany in two, it cannot in the least alter the spiritual union between the Germans situated on either side of it." "In no case can we recognize the amputation of East German territories by Soviet Russia and Poland . . . in violation not only of the Potsdam agreement but also of the principles of the Atlantic Charter. . . . We shall continue to assert with full legitimacy our right to these territories. . . ." [12]

These declarations were much too mild for some of the Bundestag members. Schumacher asserted that the best cards in the struggle to regain the Eastern territories would be thrown away if the government accepted the detachment of the Saar from Germany by the West. Furthermore, if the Chancellor was interested in German unity, he should give Western Germany a social character that would represent some attraction for the workers.[13] Other deputies spoke of dismantling, of sovereignty, and of territorial questions—even of territories annexed by Hitler like the Sudetenland and Austria—in terms which Adenauer found it necessary to deprecate both inside and outside the Bundestag chamber.

For the Western Allies the unlooked-for exuberance of national feeling that accompanied the birth of the Federal Republic was somewhat disquieting. The internal recovery of the new state and its adjustment to the conditions of peace and partition would be doubly difficult if German and Allied ideas were to conflict seriously on so many matters in which they had a common interest. In general, the Germans seemed to envisage a much faster progress toward full management of their own affairs than the Western powers had contemplated. The dismantling problem was only one of the immediate is-

[12] Text in *Relazioni internazionali,* XIII, October 1, 1949, 604.
[13] *Ibid.,* 605.

sues which were capable of engendering serious friction between Germans and Allies, and also among the Allies themselves. What made the situation peculiarly disturbing was the fact that this German-Allied problem had to be viewed in terms of the larger issues of the cold war. The Western Allies were not alone in Germany, and the Russians, though they had failed at Paris to disrupt the Allied timetable, plainly were still in no mood to accept the solution in Western Germany as definitive.

3. *"Democratic Republic" in the East*

For Soviet Russia, as for the West, the Paris conference proved to be only an interlude. Having discovered that there was still no basis for agreement on a unified policy toward Germany as a whole, both parties went back to the separate policies they had evolved for the fragments of Germany they controlled. On both sides these policies were still nominally directed toward the reunification of the entire country. The West still professed to favor German unity on a liberal-democratic basis, the U.S.S.R. on a basis of "popular" democracy which, in practice, meant Communist control. The real effect of their actions, however, was necessarily to deepen the already gaping division between the two halves of Germany and thus increase the difficulties in the way of peaceful reunification.

As between Russia and the West, the former had most to gain from extending its own system to the rest of Germany and pursued this aim with most energy and conviction. Two main lines of action were open to the Soviet Government after the termination of the blockade and the adjournment of the Paris conference. First, it could continue to exploit its direct control of the Soviet zone, whose industrial production and raw materials were badly needed within the Soviet bloc, while its geographic position carried Soviet military power and political influence into the heart of Europe. Second, it could continue to utilize this position in the cold war against the West, embarrass and obstruct the Western powers in the pursuit of

their own German policy, gain new bargaining positions for itself, and stand ready to profit by any unexpected turn of events.

Against the Western Allies the Soviets still retained two important points of leverage—Berlin, and the German desire for restoration of national unity. To the Russians the Western sectors of Berlin, lying deep within Soviet-controlled territory, were an unmitigated thorn in the flesh—a standing advertisement to the East zone Germans of the strength of Western arms and the advantages of the Western political-economic system. For the West, Berlin still represented a dangerously advanced and isolated position. In agreeing to suspend the blockade, the Russians had undertaken merely to restore the status quo in Berlin as it had existed up to March 1, 1948. That left them with plenty of opportunities for harassing the Allies and the people of the Western sectors and, perhaps, wearing down the moral resistance which had played such a large part in defeating the blockade.

German unity propaganda was a broader and more potent weapon, which could be directed against the whole Western position in Germany and was calculated to strike at the moral roots of the Bonn government. The vehicle for nationalistic agitation was at hand in the People's Council and its draft constitution for a German democratic republic, which the People's Congress, meeting in East Berlin pursuant to the elections already described, adopted on May 30 with but one dissenting vote in an assembly of 2,000 delegates. This gathering, for whose representatives Vyshinsky unsuccessfully tried to gain a hearing at the Foreign Ministers' conference, vociferously demanded German unity and peace, rejected unification under the Bonn Basic Law, but left in abeyance the question of actually proclaiming its own constitution or setting up an East German government.

From the Soviet point of view such agitation, aside from any disruptive effect it might have in Western Germany, had the advantage of offering the people of the Eastern zone some emotional compensation for the hardships and oppression of Soviet-

Communist rule. On the other hand, there was always a danger that their nationalistic propaganda might backfire. The Russians themselves were prepared to grant German unity only on very limited terms, which included acceptance of vast territorial amputations in the East and a reliably "pro-Soviet" government for all Germany. Moreover, the cultivation of German nationalism raised difficult problems with Poland, Czechoslovakia, and the other Soviet satellites in Eastern Europe. These countries needed German industrial goods to carry out their ambitious economic plans, but were obsessed by a deep-rooted fear of German military power and could not be expected to welcome the reappearance of a united, nationalistic Germany. Russian sponsorship of German nationalism, if adroitly practiced, could serve as a means of making the satellite governments toe the Soviet mark; but, if mishandled, it might also weaken their devotion to the Soviet Union and encourage "deviationist tendencies" like those that had gained the upper hand in Yugoslavia.

Throughout the summer of 1949 Soviet policy in Germany was marked by the same curious indecisiveness that distinguished it at Paris. In relation to Berlin, new obstructions began simultaneously with the formal lifting of the old transport restrictions on May 12, and continued in various forms until well into the summer. Soviet and German Communist authorities used a variety of subterfuges to circumvent the Foreign Ministers' directive to normalize the life of Berlin and seek ways of mitigating the administrative division of the country. Finally, on September 28, the Western commandants withdrew from further four-power talks, declaring that they could not discuss the normalization of life in Berlin until assured that the Soviet commandant would honor freely negotiated agreements.[14]

[14] The principal obstacles to restoration of normal conditions in Berlin arose from (1) repeated Soviet interference with road, rail, and canal traffic, culminating in the closure of all highways into the city during most of July; and (2) a strike of employees on the Soviet-controlled Berlin railway system which lasted from May 21 to June 28, resulting in serious clashes between the strikers and Soviet sector police and the halting of freight traffic into the Western sector freight yards. The suspension of four-power talks in September resulted primarily from Soviet nonfulfillment of the conditions for ending the strike which had

In relation to the broad problems of German political organization, on the other hand, the Russians delayed decisive action and made no immediate effort to match developments in the West. Not until the Bonn regime was an accomplished fact did they attempt to counter it by launching a vigorous diplomatic offensive and at length unveiling their own "democratic" government in the East. The timing of this move may have been influenced in part by the restiveness of the political parties in the Eastern zone, where elections to the state legislative bodies were scheduled for the latter part of the year. The Soviet authorities were doubtless reluctant to risk another such setback as they had encountered in the spring elections for the People's Congress, and may have considered a bold move on the national plane as the best way out of the dilemma. The full significance of the event, however, could be gauged only in its relation to developments outside of Germany. Together with the disclosure of Russia's possession of the atomic bomb, the formal establishment of a Chinese "People's Republic" at Peiping, and the recrudescence of the cold war at the fourth session of the U.N. General Assembly,[15] it contributed to an atmosphere of heightened tension which persisted throughout the remainder of the year.

A lengthy Soviet note to the United States, Britain, and France, delivered on October 2 and followed by similar communications from the other governments of the Soviet bloc, opened the offensive with a bitter denunciation of the "policy of splitting and dismemberment of Germany" which the three Western powers had allegedly carried on for the past three years, culminating in the formation of the Bonn government in violation of the Potsdam agreement and the decisions of the Paris conference. Far from being a step toward the transformation of all Germany into a democratic, peace-loving state, argued the Kremlin, the Bonn regime—based as it was on "a narrow group of specially handpicked old reactionary political

been agreed upon with the Western commandants. Meanwhile the Western airlift was gradually reduced beginning August 1 and officially terminated September 30.

[15] Cf. below, pp. 280-284.

figures . . . closely connected with foreign financial circles"—was only "an obedient tool of the Western occupation authorities in realization of their aggressive plans in Europe." The accompanying Occupation Statute was aimed at "disrupting the conclusion of a peace treaty and the impermissible dragging out of the occupation regime." The policy of "restoring the dominating position of reactionary, militaristic, and revanchist elements" reflected the aims of "certain imperialist circles to utilize Western Germany as a bridgehead for the realization of aggressive plans" and transform it into "a new seat of unrest in Europe." "A new situation has now been created in Germany," the Soviet note concluded, adding that the restoration of a united, peace-loving, democratic Germany and its fulfillment of its obligations under the Potsdam agreement had now acquired increased importance.[16]

How the Soviet Union would respond to this "new situation" was already evident from the propaganda of the SED and the Communist-controlled mass organizations in Eastern Germany. A "provisional government for democratic Germany," free of capitalist oppression, friendly to the U.S.S.R. and the "people's democracies," and capable of negotiating the withdrawal of occupation troops and the early conclusion of a peace treaty—such was the burden of the Communist propaganda. Controversial matters of social and economic policy were played down in order to focus attention on national objectives which would appeal to as wide a following as possible, in the Western zones as well as in the East. Nothing, of course, could be said about a revision of the Eastern frontier; but with this sole important exception, Communist propaganda enjoyed a period of indulgence in the most optimistic anticipations.

The "German Democratic Republic" which was to be the agency of these benefits was set up with a dispatch that contrasted sharply with the deliberate procedure followed in the West. The 330-member People's Council, meeting in the Soviet sector of Berlin on October 7, proclaimed the all-German-

[16] Soviet note, dated October 1, in *USSR Information Bulletin,* IX, October 21, 1949, 622-624.

constitution already approved by the People's Congress to be in force; converted itself into a "provisional People's Chamber" (*Volkskammer*) to serve as the lower—and preponderant—house of the new government; provided for an upper chamber (Chamber of States, or *Länderkammer*) to be chosen by the legislatures of the Eastern-zone states; and, over the protest of non-Communist spokesmen, postponed the general elections for a "permanent" government until October 15, 1950.[17] As a logical reflection of the SED dominance in the Eastern zone, that party's two co-chairmen were chosen to fill the highest offices in the new government, Otto Grotewohl being selected as Minister-President or Chancellor and Wilhelm Pieck as President. Deputy premierships were awarded to leaders of each of the three main parties (the SED and the puppet Christian Democratic Union and Liberal Democratic party), and technical portfolios were distributed among these and minor groups in such a way as to ensure the SED's general predominance and control of the key ministries.[18]

The main function of this new government, which was so constituted as to reflect real popular sentiment in about the same degree as the Communist-controlled satellite governments of Eastern Europe, was to further Soviet aims in Germany by casting discredit on the Bonn regime and the Western powers and posing as the real instrument for the achievement of German national aims. The resolutions of the new People's Chamber restated the familiar themes of Soviet-SED propaganda in a tone that inevitably recalled the nationalistic declamations of Dr. Goebbels' propaganda machine: "The national state of distress into which the German people was plunged through the violation of the Potsdam agreement by the imperialist powers of the West arouses all Germans to struggle for the exalted

[17] "Dokumente zur Bildung der Deutschen Demokratischen Republik," *Europa-Archiv,* IV, November 20, 1949, 2639-2640.

[18] Responsibility for information and propaganda was entrusted to Gerhardt Eisler, prominent German Communist who had been in the U.S. from 1941 until May 1949, when he jumped bail and left this country as a stowaway on the Polish liner *Batory* while his appeal from conviction for contempt of Congress was pending before the Supreme Court.

goal of a unified, independent, democratic Germany with the object of early conclusion of a just peace treaty and the speedy withdrawal of all occupation troops. . . . The splitting and colonizing policy of the imperialist powers threatens not only the peace but also the existence of the German nation and makes the formation of a general defense front of all patriotic forces of the German people the urgent necessity of the hour. . . . We summon the German people to take the salvation of the nation in their own hands and . . . clear the road for peace, development and national freedom in the united German Democratic Republic." Specifically, the Chamber adopted a 20-point program demanding, among other things, the suppression of the Bonn regime, reversal of the Western decisions on the Ruhr and the Saar, cessation of dismantling, and "merciless active struggle against the traitors to the German nation, the German agents of American imperialism, the criminal accomplices in the splitting of Germany and the enslavement of its Western parts, the particularists and separatists who support the imperialistic policy of splitting Germany." [19]

Such propaganda, echoed with slightly more restraint in the formal declarations of Pieck and Grotewohl, seemed to address itself less to normal patriotic sentiment than to the aggressive instincts that had found an outlet in the excesses of Hitlerism. This emotional tendency contrasted not only with Allied aims in Western Germany but with the larger objective, supposedly common to all four powers, of eradicating such traits from the German national mentality. On the other hand, the effectiveness of these nationalistic appeals, like that of the spurious "equality" and "social justice" offered by the Eastern regime, was limited both by the actual unpopularity of Soviet-SED rule and by the requirements of Soviet policy, which still insisted on

[19] Manifesto of the "National Front of Democratic Germany," unanimously adopted by the People's Chamber on October 7, 1949, in *Europa-Archiv,* V, January 5, 1950, 2737-2738. The embryo National Front of Democratic Germany took shape after the elections of May 15-16 as a device for drawing former Nazis and army officers into political life and compensating for the unsteadiness of the non-Communist (Christian Democratic and Liberal Democratic) parties in the original East German political coalition. It formally supplanted the People's Congress movement in January 1950.

Germany's liability to pay heavy reparations and on the permanency of the Oder-Neisse frontier. If the new government was to have a real appeal to German opinion, it would have to show convincingly that it possessed both genuine independence and the good will of the Kremlin.

The tight Soviet-SED control of political life in the Soviet zone made it comparatively easy to give the new government more apparent freedom of action than its sister regime at Bonn enjoyed. Whereas in the West foreign relations and foreign trade were among the reserved fields which remained under Allied jurisdiction, ministers for both of these departments were included in the Eastern regime. The Western Allies, in terminating military government, had promulgated an Occupation Statute enumerating in some detail the powers to be reserved to the Allied High Commission. The Soviet commander in Germany, General Vassily I. Chuikov, simply announced that the Soviet Military Administration would be replaced immediately by a "Soviet Control Commission" to supervise the fulfillment of the Potsdam and other four-power agreements on Germany; administrative functions formerly handled by military government would be handed over to the People's Chamber. Whereas the Bonn government was forbidden to send or receive diplomatic missions in its own name, it was announced on October 16 that the U.S.S.R. was accrediting a regular diplomatic mission to the provisional government, headed by a diplomat of ambassadorial rank, Georgi M. Pushkin, and would receive a German mission in Moscow. Diplomatic recognition by the main Soviet satellite governments followed immediately.

As the supreme mark of Kremlin favor, Premier Stalin addressed a message to Pieck and Grotewohl in which he called the founding of the German Democratic Republic "a turning point in the history of Europe" and, in effect, a guarantee of everlasting peace. In a statement as amazing for its omissions as for its blandishments, Stalin declared that the Soviet and German peoples had borne the greatest sacrifices in the recent war—never mentioning that they had been deadly enemies—and possessed "the greatest potentialities in Europe for accom-

plishing great actions of world importance." A peace-loving democratic Germany, side by side with the peace-loving Soviet Union, said Stalin, "excludes the possibility of new wars in Europe, puts an end to bloodshed in Europe, and makes impossible the enslaving of European countries by the world imperialists." [20]

In their response to these developments the Western powers had to consider, first, the legal validity of the Soviet moves and, second, their possible effect on the political balance of power in Germany. Both considerations dictated a complete rejection of the Soviet actions and of the justifications set forth in advance in the Russian note of October 2. In a preliminary comment on October 6, U.S. Under-Secretary of State James E. Webb declared that, if the Potsdam agreement had not been implemented, this was the fault not of the Western powers but of "obstinate Soviet opposition to every constructive proposal presented by the Western powers since 1945." The real responsibility, according to Webb, lay with the U.S.S.R., which "by creating a dictatorial, unrepresentative regime, by building up a German paramilitary force, by strangling free economic life and by looting the natural and industrial resources, by reopening concentration camps, and by creating conditions which have caused hundreds of thousands of German residents to flee, has steadily separated its zone from the main part of Germany and from the Potsdam goals of democracy, peace and prosperity." [21] Similar reasoning underlay the formal replies of the three Western governments, as well as a sarcastic statement by

[20] Stalin's message was made public on October 14; text in *USSR Information Bulletin,* IX, October 21, 1949, 621.

[21] *Department of State Bulletin,* XXI, October 17, 1949, 590-591. Simultaneously the State Department released the text of a protest to the Kremlin (*ibid.,* 592) over the arrest and prolonged detention of two young American students who had wandered into the Soviet zone. Noting that the case was "only the latest of many which have occurred in Germany," the U.S. declared: "Circumstances vary but the basic pattern is the same. United States citizens, whether civilian or military, are arrested, held for long periods, sometimes miserably treated, and eventually released, without charges, explanations, or apologies"—treatment which was "in shocking contravention to the most elementary standards of international decency."

Acheson rejecting the protests of Poland, Czechoslovakia, Hungary, and Rumania.[22]

As for the government of "the so-called German Democratic Republic," a State Department release which undoubtedly expressed the views of all three Western powers dismissed it as "without any legal validity or foundation in the popular will." Created "by Soviet and Communist fiat," it had no basis in free popular elections, no constitution written by democratic representatives, no real freedom of action, and, "by any democratic standard," no right to speak for the Germans of the Soviet zone, still less for Germany as a whole. Under these circumstances, said the Department, "it is perfectly evident that all of the high-sounding talk about a peace treaty, an end to the state of war, and the withdrawal of occupation troops will be developed solely for its propaganda appeal to the German people. As long as an autocratic Communist regime remains fastened upon the people of eastern Germany and carries out Soviet policies under the protection of a large militarized Communist police force, it would be meaningless to speak of a peace treaty, or an end to the state of war, or the withdrawal of Soviet troops." The Western governments, the statement concluded, "will not in any way be deceived or diverted from their course of action . . . and will continue to give full support to the Government of the German Federal Republic at Bonn in its efforts to restore a truly free and democratic Germany." [23]

To judge from external indications, the Soviet Government had also begun to feel definite misgivings. One additional benefit was conferred on the new regime, when President Pieck was authorized to announce on October 29 that the U.S.S.R. had undertaken to release all German prisoners of war still remaining in its custody by the beginning of the new year. The

[22] *Ibid.*, October 24, 1949, 634. The formal U S. reply on October 17 (*ibid.*, October 31, 1949, 670), in refuting the charge that Western policy harbored aggressive designs in Germany, called attention to the U.S. Government's "systematic efforts to achieve full demilitarization of Germany and its proposal of a four-power disarmament and demilitarization treaty, an offer repeatedly rejected by the Soviet Government" (cf. *The United States in World Affairs, 1945–1947*, 192-194).

[23] *Department of State Bulletin*, XXI, October 24, 1949, 634-635.

fate of these German captives, believed to number well over a million at the lowest estimate, was a matter of deep concern to all Germans. After originally promising to return all prisoners of war in its possession by the end of 1948, the U.S.S.R. had evaded all attempts to pin it down to a new date or even to ascertain the number of Germans still in captivity.[24] Only a few weeks before, Adenauer had dwelt on the gravity of the problem in his opening address to the Bundestag. If the present Soviet undertaking were fulfilled, the Pieck-Grotewohl regime would have one strong claim on the gratitude of the entire German people. In fact, the U.S.S.R. again failed to live up to its commitment. Even before it became clear that it would do so, however, there had been abundant signs that the performance of the German Democratic Republic was falling short of its original promise.

Early conclusion of a peace treaty, according to various official pronouncements, was to have been the new government's central aim. Yet the new regime was not three weeks old before talk of a peace treaty, or even a "peace statute" defining the East German regime's obligations to the U.S.S.R., began to wane. Only an "all-German" peace treaty would be worth having, said Premier Grotewohl on October 26; there was no thought of a separate peace with the U.S.S.R., and Soviet occupation troops would remain until a general peace treaty made possible the withdrawal of all occupation forces. This, obviously, was a remote contingency. Similarly, the statement of General Chuikov on November 11, when he formally dissolved the Soviet Military Administration and set up the Soviet Control Commission, contrasted with his earlier announcement by laying much more stress on the supervisory powers to be retained by the Soviet authorities and much less on the freedom to be enjoyed by the East German government. As the weeks went by it became evident that, at bottom, conditions were not greatly changed.

Among the factors that led to this slackening of momentum,

[24] For the diplomatic correspondence on this matter cf. *Germany 1947–1949: The Story in Documents*, 119-124.

the state of feeling within the Eastern zone—and, quite possibly, the misgivings of Poland and other satellite countries—must have played a considerable part. Establishment of the German Democratic Republic had failed to cure the persistent malaise of Eastern Germany, which was openly manifested in a number of ways: by the steady stream of refugees who were escaping at the rate of some 1,000 each day from the food shortages, regimentation and oppression of the Eastern zone to the relatively more favorable conditions of the West; by occasional admissions of sabotage in industry and agriculture; by a new purge of unreliable elements in the government services and the political parties, commencing almost simultaneously with the founding of the East German government; by the tactics of the SED in denouncing recalcitrant members of the Christian Democratic and Liberal Democratic parties while cultivating the good will of former Nazis and army officers, to whom full civil and economic rights were restored by the People's Chamber on November 9; and by indications that the poison of "Titoism," meaning real or suspected failure to accept Soviet policies unquestioningly, had attacked the vitals of the SED. When all these conditions were corrected and a reliable militarized police force had been built up in Eastern Germany, the U.S.S.R. might feel able to trust the German Democratic Republic in the same measure as it trusted its other satellite governments, and relinquish the additional safeguards provided by its army of occupation. Until that day came, however, its political warfare in Germany would continue to rely more on words than on deeds.

CHAPTER SEVEN

DEMOCRATIC PROSPECTS IN CENTRAL EUROPE (II)

DESPITE THE SCORN with which the United States, Great Britain, and France dismissed the new East German republic, its establishment added considerably to their perplexities in Western Germany. The Soviet bid to German nationalism came at a time when the Western powers already faced a nationalistic current of unexpected strength, fed from various sources within the territory of the Federal Republic. By giving a new stimulus to these tendencies the Pieck-Grotewohl regime posed more sharply the old dilemma of German policy: Was Germany's national resurgence to be curbed, or encouraged? Could it be encouraged in a form that would supplement, rather than conflict with, the efforts of other nations to find a new basis for the common life of Western Europe? The basic issue—namely, whether or not the dangers of German recovery outweighed its possible advantages to the Western community—remained the same, but was made more pressing by the note of urgency that now characterized German utterances in both East and West. From the time the Bonn government was established, what the Western Allies had really faced was the problem of how to manage a German recovery that was already under way. Inauguration of the Eastern regime could only make the problem more difficult.

Whether or not the Russians were willing to trust their new puppet regime, its mere existence focused German attention more sharply on the problems of national division, territorial amputations, and foreign control. The propaganda of the Democratic Republic and the National Front was calculated to throw the shortcomings of the Bonn regime—its dependence on the Western Allies, its acquiescence in the abridgment of

German sovereignty in questions like those of the Ruhr and the Saar—into high relief. Bonn now had a competitor. Unless it could build up a convincing record of accomplishment in the pursuit of German national aims, its popular support in Western Germany and its value to the Allies might fade away.

At the back of everyone's mind in the fall of 1949 was the possibility that some day, after the occupation troops were withdrawn, Germany as a whole might "turn to the East." This, at bottom, was the denouement that Soviet policy throughout the postwar years had aimed at promoting, and the policy of the West at preventing. Given the weakness of the democratic trend in German political life, such an outcome was not so very difficult to imagine if the Soviets should manage to swing the weight of German nationalism behind their policies. For months a group of conservative politicians and businessmen with connections in West German diplomatic and parliamentary circles had been carrying on discussions of economic and political unity with the Soviet zone. Prominent among them were Rudolf Nadolny, former German Ambassador to Moscow, and Andreas Hermes, head of the Christian Democratic West German farmers' associations. Their activities had raised the specter of a "new Rapallo," comparable to but more dangerous than the Russo-German pact of 1922. The reappearance of German totalitarianism in any form would be the negation of the purposes for which the war had been fought; the mere idea of a German totalitarianism linked with that of the U.S.S.R., combining German industrial power and technique with Soviet manpower and resources, had frightening implications for the free world.

Considerations such as these tended to raise the bargaining power of the Bonn government in its relations with the West. The men of Bonn took the view that the Western Allies ought to pay more deference to their wishes because, in the last analysis, they were the Allies' only protection against a renazified or, in the worst of cases, a sovietized Germany. It was unnecessary for Chancellor Adenauer to make this argument explicit in his conferences with McCloy, Robertson, and François-Poncet, because the argument was inescapably implicit in the whole

German situation. True, the Bonn government itself offered the Allies no permanent guarantee against these dangers. Once Allied controls were lifted, the makeup and policies of the republican government would be determined by whatever political forces were strongest in Germany at the time. Concessions to Bonn might be dangerous, because they would have the effect of accelerating Germany's recovery at a time when its long-range political orientation was still very much in doubt. On the other hand, a refusal to make concessions might be more dangerous still, because it would tend to discredit those elements in Germany who seemed to have the best chance of leading their country toward lasting association with the West.

As they had done so often in the past, the Western powers compromised. Faced with a new series of German requests, the three Foreign Ministers met at Paris in November—their second formal conference on German problems within eight months—and agreed on a new round of concessions which momentarily improved the standing of the West German Republic, but failed to close the gap between Allied and German views on Germany's future status.

In the intervals of grappling with the German problem, the three governments faced difficult decisions in another occupied country that had once formed part of the Nazi thousand-year Reich. Independent Austria was the scene of a parallel struggle among great powers, less embittered and complex than that in Germany but not without importance for the future of Europe. Here the political tendencies of the people were less in doubt; the Austrians had plainly had enough of German domination for some time to come, and were equally averse to a surrender to Soviet Communism. National feeling in Austria, so long as it retained its Western coloring and remained focused on the Austrian homeland, was welcomed in the Western capitals as a healthy guarantee of Austrian independence. The Western objective in Austria was quite simply to prevent that country from succumbing beneath a load of Soviet impositions, especially in the economic realm. The battle was waged primarily in the interminable series of four-power meetings devoted to the search

for agreement on a treaty to regulate Austria's future international status. At various moments in 1949 agreement seemed very close, only to recede again into the swirling fogs of the cold war.

1. *Western Germany Finds Its Voice*

A wide variety of specific problems connected with the functioning of the West German government provided the background for the Paris meeting of the three Western Foreign Ministers, which was rather hastily convoked at the beginning of November on the initiative of the British. Some of them concerned the legal and political status of the Bonn regime, in relation to Germany and to other nations; others had to do primarily with the internal policies of the federal government; others again, with its attitude on security controls, the dismantling program, and the International Ruhr Authority. What all of them had in common was an intimate bearing on the authority and prestige of the Bonn regime, which meant that each problem had to be approached with one eye on its intrinsic merits and the other on its broad implications for the political future of Germany. To complicate matters further, the Allied High Commissioners had begun to find themselves and their governments in frequent disagreement over the interpretation of policies already agreed to. McCloy, the American High Commissioner, who showed considerable understanding for the German position, encountered a much more cautious attitude in his French colleague, François-Poncet, and did not always see eye to eye with General Robertson, the British High Commissioner.

On several matters the High Commissioners found themselves at loggerheads with each other and with the Bonn regime before either group was a month old. The first serious clash, which concerned the revaluation of the Deutsche Mark currency following the British devaluation in mid-September, illustrated the complexity of the interests at stake. Aside from technical complications too intricate to be gone into here, it directly involved the powers of the High Commission, the differing attitudes of

the three Allies toward German economic revival, and the widespread practice of double pricing of raw materials which was coming to be recognized as a major obstacle to European recovery.

For some 10 days, from September 19 to September 28, the High Commissioners were unable to agree among themselves on a new exchange rate for the Deutsche Mark, previously valued at 30¢ U.S. The Germans, supported by the U.S. and British High Commissioners, favored a low rate of 22.5¢, which would be advantageous to German exports. The French, who insisted on linking this issue with that of the export price Germany was charging for Ruhr coal, held out for a higher exchange rate. After McCloy made a special trip to Paris to discuss the matter with the French Government, a compromise was announced involving an intermediate rate and a compensatory increase in the price of Ruhr coal within Germany, designed to eliminate any price discrimination against French consumers. This arrangement the Germans refused to accept, Adenauer roundly declaring that the Commission was exceeding its authority and that its decision was "not in the interests of the German people." Unmoved by the strong language of Schumacher and others in the Bundestag, the Commission held firm. Eventually the government accepted the Commission's exchange rate (23.8095¢), but still delayed for more than a week before making the required price adjustments.

Other issues found Adenauer and the High Commissioners similarly at odds concerning their respective powers. To the annoyance of the Germans, signature of a trade agreement negotiated with East German representatives[1] was held up for three days while the High Commissioners personally examined the provisions that had already been approved by their own Foreign Trade Committee. When the Bonn government carried out its plan to set up a State Secretariat for International Affairs in

[1] Allied-supervised negotiations for a resumption of East-West trade within Germany, suspended since mid-1948, were begun in late spring but broke down repeatedly owing to disagreements on exchange rates and other technical matters. Finally, on October 9, German officials from East and West signed a barter agreement calling for an exchange of goods up to a maximum value of $150 million in the nine months ending June 30, 1950. This figure contrasted with a prewar trade in the neighborhood of $1 billion a year.

Adenauer's office, the High Commission issued a pointed reminder that its own organization remained the sole channel for diplomatic contacts with the federal government. When Bonn refused to apply previous military government legislation on civil service, the High Commissioners declared that the earlier law remained in full force until a satisfactory German civil service law was enacted. Further disapprobation was incurred by the federal government through its delay in acceding to the international Ruhr statute. Such incidents, often of no great consequence in themselves, were closely watched by members of the Bundestag, by the German public, and by foreign powers as indices to the future trends of German-Allied relations. To the People's Chamber in East Berlin they served as new evidence of "the brutality of the imperialist occupation policy" and the impotence of the Bonn "shadow government." [2]

The status of Western Berlin was a matter of more than symbolic consequence on which the Western powers similarly found themselves aligned against overt German wishes. Political incorporation of Germany's chief city was a natural aim for any German government, and both the Western and more recently the Eastern regime had gone to some lengths to advertise their solidarity with Berlin's inhabitants. In view of the strongly Social Democratic coloration of West Berlin's electorate, some of the non-Socialist political groups at Bonn may have been in two minds about the desirability of actual incorporation; but if so they were content to leave the onus of opposing it to the Allies. Although the Western powers had refused to permit the inclusion of Greater Berlin in the Federal Republic,[3] both the Berlin City Assembly and the West German Bundestag repeatedly called for a reversal of this decision. In a resolution passed by a great

[2] Manifesto of the People's Chamber, October 7, 1949, in *Europa-Archiv,* V, January 5, 1950, 2735.

[3] Instead the three governments promulgated a "little occupation statute" for the Western sectors, comparable to the Occupation Statute in the Western zones but including additional controls necessitated by Berlin's exposed situation. In approving the Bonn Basic Law, the Western Military Governors ruled that Berlin might send a limited number of representatives to the meetings of the Bundestag and the Bundesrat. The Russians, in setting up the East German republic, followed a generally similar practice.

majority on September 30 the Bundestag formally instructed the Bonn government to reopen the matter with the Allied High Commission.

The matter was an important one for the Western powers because the strength of their own position in Berlin depended largely on the maintenance of good morale among West Berlin's German population, which was strongly favorable to joining the Federal Republic as a "twelfth state." Since the end of the blockade several factors had adversely affected Berlin's mood: the continued difficulties with the Soviets on trade and transport matters, a U.S. decision to remove most of its Berlin offices to Frankfort to be nearer the Bonn government, and an alarming growth of unemployment, due largely to the political uncertainties which made West German businessmen chary of dealing with Berlin firms. As of the end of August, unemployment in the Western sectors stood at 227,000 or 22.4 percent of the total labor force—almost five times the pre-blockade level.[4] McCloy had already established West Berlin's eligibility for Marshall Plan aid, and Chancellor Adenauer had promised to allocate some of the revenues of the Federal Republic for the relief of the distressed city. These, however, were recognized as no more than initial steps. Proclamation of the East German government heightened the prevailing tension and unrest in a way that forced the High Commission to take Berlin's future formally under consideration.

Although the U.S. and British Commissioners tended for psychological reasons to favor Berlin's admission to the Federal Republic, such a course was unacceptable to the French. A series of meetings between the High Commissioners, Chancellor Adenauer, and West Berlin officials produced nothing more definite than an assurance from the High Commission that Berlin would enjoy its continued "moral and material support." Political incorporation, Adenauer explained to the Bundestag on October 21, was impossible now because of "continuing international tension," but would be reconsidered as soon as the inter-

[4] Office of Military Government for Germany (U.S.), *Monthly Report of the Military Governor,* No. 50, August 1–September 20, 1949, 7.

national situation permitted; meanwhile Western Berlin could be adapting its legislation to that of the Republic. The federal government also agreed with the Commissioners on specific measures to combat Berlin's business depression; among them were contract and tax preferences in favor of Berlin enterprises and the allocation of 90 million Deutsche Marks ($21.4 million) in ECA counterpart funds for small business, craftsmen, and housing in the former capital. West Berlin's mayor, Ernst Reuter, indicated that these remedies might solve about half of the city's immediate economic difficulties. Later he was forced to revise even this modest estimate in view of the reluctance of some of the West German states to allocate funds for Berlin's relief.

The problems touched upon thus far involved clear-cut tests of will for Germans and Allies but lacked the explosive qualities of the biggest German-Allied issue of 1949—that of the dismantling of excess German industrial capacity for reparations. This was the problem on which German feeling ran highest and on which inter-Allied differences assumed their sharpest form. At their brief Washington meeting in September the three Foreign Ministers took time from the discussion of other problems to consider a plea from Adenauer to review the dismantling problem in the light of its economic implications and the desires of the German people.[5] At that time the ministers agreed that the reduced dismantling program decided upon in April would be carried through without change despite the ill will it was generating in many sections of the German population. Nevertheless, continued German agitation during the autumn, coupled with serious misgivings in some American and British quarters, led to a reversal of this position within less than two months.

For the Americans and British the basic question about the dismantling program was whether the additional margin of security it provided, and the satisfaction of the reparation claims of the 19 countries that were entitled to claim portions of the dismantled equipment through the Inter-Allied Reparation Agency (IARA), were worth the resultant embitterment of German-

[5] Adenauer's Bundestag speech of September 20. On the Washington meeting of the Foreign Ministers, see above, p. 65.

Allied relations. As German parliamentarians and labor unions continued to demonstrate their unshakable opposition to the program, there was a growing tendency to answer this question in the negative. An important additional consideration for the United States was the program's economic cost, in terms of possible adverse effects on the American-supported European recovery effort.[6] The British were more directly conscious of security factors but were keenly aware that most of the plants to be dismantled lay in their occupation zone and that they would bear the main brunt of German resentment—the more so because, despite their strenuous denials, they might be suspected of having an economic interest in holding down German productivity. Only the French were free of incidental preoccupations of this kind and opposed new concessions as firmly, and as fruitlessly, as they had opposed the earlier ones.

The rapid evolution of official opinion on the matter could be measured in a series of statements by U.S. High Commissioner McCloy, whose readiness to express his personal opinions on matters of high policy proved somewhat disconcerting to the British and increased their desire for a general clarification of Allied viewpoints. On October 4 the Bonn regime, responding to vigorous pressure from the Bundestag, formally asked the High Commission to call a halt to dismantling until German proposals for alternative use of the plants involved could be considered. McCloy, who since his arrival in Germany had been considered as at most a lukewarm supporter of the program, declared on October 9 that this highly technical problem was "entirely a governmental matter" and not now in the hands of the Commissioners, but that he personally did not favor a cessation of dismantling "unless and until guarantees as to security

[6] Mention has already been made (above, p. 86) of the provision in the Foreign Aid Appropriation Act of 1949 authorizing the ECA Administrator to review the dismantling program in the light of its effects on ERP. Subsequent moves by the anti-dismantling forces in the U.S. Senate included (1) a letter addressed to Secretary Acheson by a bipartisan group of 44 Senators on October 5, urging him to make another effort to halt the dismantlement of plants useful to German recovery; and (2) a resolution of similar import, sponsored by Republican Senator Kenneth S. Wherry of Nebraska, which the Senate rejected by voice vote on October 17.

and reparations can be given by Germany sufficiently strong to justify it." [7]

In an interview at Frankfort on October 17 McCloy revealed that German authorities were actually at work on such a program of alternative guarantees. Emphasizing the hope that "something constructive" would emerge, he indicated that the problem was a broader one than merely another revision of the dismantling lists and that the solution should include wholehearted German support for the Ruhr Authority. To the consternation of Britain's socialist government, he further suggested that the control of the Ruhr be integrated into "a general scheme of joint responsibility for the heavy industry of Great Britain, France, Germany, the Saar, and Luxembourg"—a scheme that would avoid the characteristics of a "grand international cartelization" but would be based on "competitive and unrestricted free enterprise." [8] In calling for "a strong European economic unity" as the final aim of any revised dismantling policy, McCloy sounded the same theme that Hoffman on behalf of ECA was to expound so vigorously before the O.E.E.C. Council meeting at the end of October.[9]

From other sources it was learned that the Germans were thinking of offering compensation for the plants they hoped to retain in the form of reparations from current industrial production—something the United States had always opposed because it would merely widen the gap in Germany's balance of payments and prolong German dependence on outside economic aid. This solution, said British High Commissioner Robertson on his return from a conference with Bevin, had already been rejected by the three governments and was unlikely to be acceptable now. Nevertheless both Robertson and McCloy continued to intimate

[7] *Department of State Bulletin,* XXI, October 24, 1949, 635.

[8] London *Times,* October 18, 1949. On the antecedents of this idea, which also underlay the important proposals put forward by French Foreign Minister Schuman in May 1950, cf. *The United States in World Affairs, 1948–1949,* 475. The same trend of thought was evident in Adenauer's remark to the High Commissioners, cited above on p. 183.

[9] See above, pp. 131-132. Western Germany was represented for the first time at this O.E.E.C. meeting by a German delegation headed by Vice Chancellor Franz Blücher.

that dismantling was likely to be further relaxed if the Germans could present a good plan.[10] While arrangements were going forward for the Western ministers' meeting in Paris, the High Commissioners waited for Adenauer to put the finishing touches on his proposals in time for submission to the three governments.

Other sectors of economic policy were also replete with matters of controversy affecting both Allied-German and inter-Allied relations. Several Western European countries had continued to complain that their trade was hampered by the long-standing requirement, instituted by American Military Government, that their trade balances with Western Germany be settled in gold or dollars. Holland, Belgium, and Luxembourg were chronically unhappy about the small voice allowed them in the determination of German policy, and particularly resented various practices —begun by the Allied occupation and maintained by the federal authorities—which they considered discriminatory against their trade and shipping. During the autumn of 1949, however, there occurred a marked liberalization of German trade policies toward the West. New bilateral trade agreements, in which the previous dollar requirement was considerably eased, were concluded with several of the smaller Western European countries. In addition, during October the Federal Republic placed itself in the van of ERP nations by a wholesale removal of import quotas, in line with O.E.E.C.'s requests to participating countries to lower the barriers to intra-European trade. The possibility that Western Germany might have been overhasty in its return to liberal trade policies was less apparent at the time than it became a few months later, when trade figures for the last quarter of 1949 showed an alarming increase in German imports of consumers' goods and a shift from an active to a passive balance in German trade with ERP countries.

These anomalies in German trade relations, coupled with persistent maladjustments in the German internal economy, emphasized the element of artificiality that was inseparable from the attempt to create a viable economic unit in this one section of

[10] *New York Times,* November 1, 1949; McCloy interview in *U.S. News and World Report,* XXVII, November 4, 1949, 26-30.

the former German Reich. Cut off from Eastern Germany and Eastern Europe, burdened with an oversized and growing population, dependent on the outside world for a great part of its food supplies, limited for security reasons in the development of its economic potential, Western Germany existed solely by virtue of the outside aid it was receiving from the United States. In the long run its economic survival would depend on finding large and expanding export markets and abundant foreign capital for rehabilitation and long-term investment.

Even when the military government ban on foreign investment was lifted, however, Germany would not become an attractive field for investors until it could narrow the gap in its balance of payments sufficiently to offer them an adequate return on their capital. Yet German efforts to recover old export markets and build up sources of foreign exchange were already beginning to encounter resistance from other countries that had their own balance-of-payment problems to think of. A part of the answer might lie in the development of industrially backward areas in Asia, Africa, and South America as projected under the Point Four program. No adequate solution could be hoped for, however, unless German economic policies could unfold themselves in harmony with those of the other O.E.E.C. countries and the United States.

The controversy over shipbuilding illustrated the difficulty of reconciling German recovery needs with those of other members of the Western community. Under the three-power April agreements, German shipyards were limited as to both the size and speed of vessels they could construct. Revision of these limits would alleviate unemployment and help Germany to earn foreign currencies; but recurrent German and American suggestions to this effect had encountered strong opposition in the United Kingdom. Revival of the German shipbuilding industry might be good for Germany, but it would represent a possible security threat, provide unwelcome competition for a major British industry, and undoubtedly cause misgivings in other maritime nations in Western Europe. A committee of Allied experts had been unable to hit upon any generally acceptable solution.

Another problem that was certain to come before the Foreign Ministers was the status of the rich coal-mining territory of the Saar, a matter that particularly concerned the French but had an intimate bearing on Germany's whole future relation to the European community. Detached from Germany and integrated into the French economy, the Saar awaited final regulation of its status by a German peace treaty. Meanwhile it had been endowed with an "autonomous" administration closely oriented toward Paris, and its elected parliament had adopted a constitution under which France took responsibility for its defense and foreign policy. The French had never concealed the fact that they intended their control of the Saar to be permanent. As a means of gaining international approval of their position, they had decided to link the question of the Saar to that of Western Germany's admission to the Council of Europe. On September 2 Schuman reiterated Bidault's statement at Strasbourg[11] that France could not agree to Western Germany's being admitted to the Council of Europe unless the Saar was invited to acquire membership as a completely separate entity.

This was the most intricate problem before the Council of Europe when the Committee of Ministers and the Standing Committee of the Assembly met in Paris at the beginning of November,[12] immediately preceding the meeting of Acheson, Bevin, and Schuman. Before the Committee of Ministers was a formal application from the Saar Government for admission to the Council of Europe as an "associate member"—a status defined by the Statute of the Council as conferring representation in the Consultative Assembly but not in the Committee of Ministers. No parallel application was received from the West German government. Though favorably inclined toward membership in the Council, the leaders of the Federal Republic were in no hurry to concede the loss of the Saar, whose 900,000 inhabitants as recently as 1935 had voted overwhelmingly to join the German Reich. Adenauer, in an interview on the eve of the conference, attempted to straddle the issue by suggesting that the French

[11] Above, p. 182.
[12] Cf. above, pp. 160-162.

policy of linking the two problems was not a wise one, but that it would be just as unwise for Germany to declare that Saar membership would exclude German membership. Admission to the Council of Europe, he declared, would not prejudice the Saar's political future, which could be settled only by a peace treaty with Germany. Meanwhile a direct exchange of views between France and Germany might be a better way to approach the problem.[13]

Several members of the Committe of Ministers shared Adenauer's misgivings about the linking of the two questions, and were even less satisfied than he concerning the legal implications of a favorable action on the Saar application. This problem gave rise to more discussion at Paris than the intrinsically more important matter of Western Germany's own readiness for associate membership, concerning which the Ministers appeared to feel little uneasiness. In asking the Standing Committee for its own view, the Ministers expressed themselves as favoring the association of Germany with the Council "as soon as possible," but took care to indicate that similar action on the Saar would not affect a final decision on that territory.

The Standing Committee, which replied on November 9, had the advantage of knowing that Acheson as well as Bevin and Schuman favored the admission of both parties.[14] In giving its advisory approval to the Ministers' decisions, however, the Committee emphasized the importance of correctly approaching the German problem if the common work of European reconstruction was to proceed harmoniously. Western Germany, it said, must be given a place in the European framework; but no definitive step should be taken until the federal government "affirmed and expressed clearly its will to abide by them." Further action was postponed until the next regular meeting of the Committee of Ministers early in 1950.

[13] "Das Deutschlandproblem und die Saarfrage," *Europa-Archiv,* IV, November 20, 1949, 2610-2611.

[14] Endorsement of this proposal, subject to the approval of the French Parliament, was the first decision of the three Foreign Ministers when they met on November 9. (Bevin and Schuman had already approved it as members of the Committee of Ministers of the Council of Europe.)

2. *Paris Conference and Petersberg Protocol*

"Firmness and humanity" were the watchwords of Acheson, Bevin, and Schuman when they met in Paris on November 9–11 —"firmness in their resolve that no country shall be permitted to menace the peace and security of its neighbors; humanity in their recognition that a lasting peace can only be found in a closer association of the peoples of the world." [15] More specifically, their task was to devise a new formula in the continuing attempt to reconcile Europe's need for security, Western Germany's demands for equal status, and the overriding need of all parties to maintain their advantage in the political warfare with the Soviet Union.

The negotiations took the usual course. Since none of the three governments had changed its fundamental attitude—although the precarious state of the French cabinet made Schuman even more cautious than usual—the only real question was how far the new concessions to Germany would go, and what pledges would be exacted from Germany in return. The ministers had before them two communications from Adenauer in which he had endeavored to link the dismantling problem and other German aspirations with the broad security interests of the Allies. Germany, he said, was ready to discuss with them not only dismantling but also German participation in the Ruhr Authority, collaboration with the Military Security Board, participation of foreign capital in German industries, German participation in a closer economic union with France, Italy, and the Benelux countries, and termination of the state of war.[16] This agenda, which touched on some of the most delicate and controversial issues in the debate on the European Recovery Program, was too far-reaching to be accepted in its entirety. The ministers agreed, however, that specific concessions might be made if the federal government would promise to cooperate faithfully with the Ruhr Authority and the Military Security Board. Representatives of

[15] Three-power communiqué, November 11, in *Department of State Bulletin,* XXI, November 28, 1949, 822.
[16] Statement of Adenauer to the Bundestag, November 15, 1949.

the Benelux countries were called in for consultation on the last day of the conference, after which the High Commissioners were advised of the limits within which they might negotiate with Adenauer—for, since Western Germany now had a full-fledged government, the result of the conference would have to be embodied in a formal German-Allied agreement instead of in a three-power declaration as in the past.

The gist of the new Allied position was communicated to Adenauer by the High Commissioners on November 15, reported by him to the Bundestag on the same day, and embodied with little change in the agreement, generally dubbed the Petersberg protocol, which he and the High Commissioners signed at AHC headquarters on November 23.[17] As usual, all parties affirmed that their primary objective was "the incorporation of the Federal Republic as a peaceful member of the European community" and recognized that "progress toward this objective must depend upon the establishment of a true sense of security in Western Europe." Accordingly, the Federal Republic was to benefit by a relaxation of the dismantling program: according to Adenauer, dismantling for reparations would be discontinued and any further dismantling would be dictated solely by security requirements. Also to be relaxed were the restrictions on German shipbuilding and the limitations on Bonn's autonomy in the field of foreign relations. In return, the Federal Republic was to give a series of undertakings calculated to reassure its neighbors of its peaceful intentions.

The heart of the agreement was the provision by which 11 synthetic oil and rubber plants and 7 steel plants, including the mammoth August Thyssen Hütte at Duisburg-Hamborn, were removed from the reparations list and, with minor exceptions, exempted from further dismantling. In addition, most of the dismantling at the great I.G. Farben chemical plant at Ludwigshafen was to be halted, together with all dismantling in Berlin. On the other hand, the existing 11.1 million ton ceiling on steel production was to be maintained, together with the prohibitions and restrictions on war-potential industries set forth in April.

[17] Text in *Department of State Bulletin,* XXI, December 5, 1949, 863a-864a.

All equipment already dismantled (except at Berlin) would be duly turned over to the Inter-Allied Reparation Agency, and no dismantled plant could be reconstructed or reequipped without the permission of the Military Security Board.[18]

In the matter of shipbuilding, Germany was authorized to begin forthwith the construction of an unlimited number of ocean-going freighters and tankers up to 7,200 tons, fishing vessels up to 650 tons, and coastal vessels up to 2,700 tons and 12 knots service speed. Further, the Federal Government was authorized to acquire during 1950 six "special ships" to which these limitations would not apply. For the time being, German shipyards would be permitted to construct ships of comparable specifications for export, and to repair foreign vessels without restriction.

In pursuance of the reintegration of Germany into the European family—already signalized by the Federal Republic's participation in the O.E.E.C., its prospective admission to the Council of Europe, and its impending signature of a bilateral ECA agreement—it was agreed to promote German participation in all "international organizations through which German experience and support can contribute to the general welfare." The federal government would also be authorized to begin gradually establishing consular and commercial relations "with those countries where such relations appear advantageous." No decision was reached on Adenauer's request for a termination of the state of war, which, though described as "consistent with the spirit" of the agreement, was found to present "considerable legal and practical difficulties" which required examination.[19]

As its contribution to the purposes of the agreement, the Bonn government undertook four specific obligations: (1) It agreed to apply for full membership in the International Ruhr Author-

[18] Total distribution of German industrial equipment under the reparation program, according to figures released by the Inter-Allied Reparation Agency on May 25, 1950, amounted to 680 plants with a 1938 valuation of $146.8 million. *New York Times,* May 26, 1950.

[19] Secretary Acheson informed the press on December 7 that American experts were studying the legal problems in preparation for a new three-power meeting sometime in 1950.

ity, on the understanding that its admission would not be subject to any "special conditions." (2) It affirmed its earnest intention to "maintain the demilitarization of the Federal territory," endeavor "by all means in its power to prevent the re-creation of Armed Forces of any kind," and cooperate fully in the work of the Military Security Board. (3) It professed determination to conduct its affairs according to the principles of freedom, tolerance, and humanity, eradicate all traces of Nazism from German life and institutions, prevent revival of totalitarianism "in this or any form," and liberalize its governmental structure and exclude authoritarianism. (4) It promised to take legislative action in the field of decartelization and monopolistic practices, in accordance with decisions of the High Commission under the Occupation Statute.

From the German standpoint the agreement fell short of realizing all the Bonn government's aims or answering all the criticisms of the Soviet-sponsored East German government. Nevertheless it contained various clear-cut, tangible advantages—Adenauer assured the Bundestag that 90 percent of his proposals on dismantling had been accepted—and the promise of others to be worked out with the High Commission. The next few months would tell whether what remained of the dismantling program could at last be carried to a conclusion without more friction. From the Western standpoint, the agreement meant a further retreat from the principle of multiple security controls, but left the Military Security Board with full powers, at least on paper, to act as the guardian of essential security interests. As for the specific German undertakings, their value would be governed almost entirely by the spirit in which the Bonn government set out to implement them.

The over-all worth of the agreement could not be adequately appraised apart from the political atmosphere in which it was expected to operate. This atmosphere, however, troubled by innumerable cross currents and conflicting interests, was extraordinarily confused and difficult to evaluate. At the basis of the ministers' decisions had been the expectation that the Bonn government "would give further evidence of its pacific intentions

and of its sincere desire to associate itself with those nations devoted to the cause of democracy, justice under law, and peace." Yet subsequent developments were to indicate that the Western governments shared this expectation in very different degrees, and that there was still no firm basis for judging how far it was warranted.

The most optimistic appraisal of the agreements was that of Acheson, who described the Paris conference as "completely harmonious and entirely satisfactory." Before returning from Paris the Secretary paid a brief visit to Germany, in the course of which he displayed an almost overwhelming cordiality toward the leading West German politicians and even hobnobbed with Soviet occupation authorities at a Berlin reception given by the U.S. High Commissioner. Back in Washington, Acheson approved a new directive to guide McCloy in his future relations with the regime the United States had done so much to build up. Once again, U.S. policy was defined as one of progressively turning over more and more authority to the Germans, stimulating Germany's development as "a peaceful, self-supporting state," furthering its integration "into the common structure of a free Europe," but at the same time keeping it "deprived of the means of waging war." [20] Contradicting sensational rumors about possible unadvertised decisions of the Paris conference, Acheson more than once assured the press that neither he nor, so far as he knew, any member of his staff at Paris had discussed the possibility of establishing a German army.

Slightly cooler was the initial comment of Ernest Bevin in a public speech on November 13. In view of past German aggressions, said the Foreign Secretary, "we can only hope that the result of these discussions will be the beginning of the ending of the age-long feud between the French and the Germans and enable Europe to proceed in unity and peace without danger of aggression again." Reporting four days later to the House of Commons, where the delay in concluding the dismantling program had been strongly criticized by the Conservatives, Bevin admitted that the Paris conference had been fraught with "many

[20] *New York Times,* December 7, 1949, and February 8, 1950.

difficulties." Though he had agreed to some modification of dismantling, he was "not impressed" by the economic arguments adduced by critics of the program; furthermore, he had no intention of giving way "on war plants or that type of thing," and asked the House to remember "the very great anxieties shown by France" and to support his determination "to be sure that the security side is properly looked after."

The attempt to soothe these French anxieties, which had been heightened by Acheson's German visit and the accompanying rumors about German rearmament, required some strong and persuasive language on the part of Foreign Minister Schuman. Admitting that the new decisions left something to be desired from the French point of view, Schuman reminded the Assembly on November 24 that France could not find security by standing alone, but only in complete accord with its two Allies; thus there had been no real alternative to the "constructive" policy adopted. The Assembly was sufficiently impressed by these arguments to accept the Bonn protocol, together with Germany's prospective admission to the Council of Europe, by a 327–249 majority; but it also expressed lively concern for the continued restriction of German military potential, for genuine internationalization of the Ruhr, and for exclusion of Germany from the North Atlantic Treaty and from the possession of armed forces.

In Western Germany itself the mixed reception accorded the new protocol was influenced by the relentless internal war which Schumacher and the Social Democrats—wisely or not, in view of the precarious condition of the young German democracy—were waging against the Adenauer administration. Before, during, and after the Paris meeting Schumacher kept up a steady fire of criticism of Adenauer's moves. Social Democratic strategy appeared motivated in part by genuine distaste for the capitalistic, not to say monopolistic, implications which they found in Adenauer's schemes for the "regulation" of German heavy industry. In part, also, it represented a plain effort to make political capital out of Adenauer's concessions by branding him as an Allied puppet. This agitation detracted a good deal from the

atmosphere of triumphant accomplishment which Adenauer sought to create. It reached a climax on November 24 when Schumacher, in an attack on the Chancellor for having concluded the Petersberg agreement without parliamentary authorization, accused Adenauer of lying, referred to him as "Federal Chancellor of the Allies," and incurred formal suspension from participation in the Bundestag for 20 parliamentary days.[21]

Although Adenauer in his public statements continued to make it clear that he felt committed to a policy of general cooperation with the Western powers, various incidents during the next few weeks showed that occasion for fresh disagreements would not be lacking. The Federal Government's brief and perfunctory application for membership in the Ruhr Authority, which was found deficient by the other participating governments and returned with the request for more explicit guarantees of German cooperation, was not submitted in acceptable form until December 17. Signature of the bilateral ECA agreement, originally scheduled to take place before the O.E.E.C. Council meeting in October, was delayed until December 15 because of Bonn's reluctance to assume responsibility for the heavy financial obligations to ECA incurred by the Military Government.[22] These, however, were mere trifles compared to the storm that arose over the question of German rearmament, at a moment when the ink was scarcely dry on the federal government's undertaking "to prevent the re-creation of Armed Forces of any kind."

The considerations which made Germany's military future a matter of direct concern in relation to the defense of Western Europe have been touched upon in an earlier chapter.[23] The Paris meeting, at a moment when the North Atlantic Treaty organization was devising plans for an "integrated defense of the North Atlantic area," inevitably encouraged the rumor that Western Germany, too, would now be brought into the Western European defense structure. Flat denials by Acheson, Schuman,

[21] A later compromise agreement enabled him to resume his seat on December 2.
[22] These obligations, incurred in various ways, were estimated at 700 million Deutsche Marks or about $166.7 million. The bilateral agreement is summarized in *Department of State Bulletin,* XXI, December 26, 1949, 982.
[23] Cf. above, p. 148.

and the British Foreign Office failed to carry entire conviction, since it was known that prominent authorities within the Western staff organization would definitely favor a plan for utilizing some German manpower under appropriate security safeguards. Influential Americans, including General Lucius D. Clay,[24] had endorsed such a project, and some observers persisted in believing that their utterances, rather than the energetic denials of Defense Secretary Johnson and President Truman himself, represented official U.S. policy.

Soviet and East German quarters used every opportunity to encourage these opinions. Such efforts had a double motive, to discredit the United States and to deflect attention from the formidable paramilitary force that was being built up in the Eastern zone of Germany in the guise of a "People's Police." This organization, whose disciplined efficiency recalled the Nazi SS, was commonly believed to be destined to take over whenever the Soviet occupation army was withdrawn. According to sensational but widely credited reports that appeared in the West Berlin press at the end of November, it was building toward an eventual strength of 360,000 men, to be recruited by conscription and equipped with tanks, artillery, and grenades. Already it was big enough to make Western Germans ask themselves what would happen in Germany once the Allied troops were withdrawn.

For the West German government rearmament, even if it were eventually to be authorized, would not necessarily be an unmixed blessing. Aside from its doubtful consistency with the pacific principles that were written into the Bonn constitution, there was no sign as yet that the German people desired to take up arms again. Remilitarization, moreover, would not necessarily be in the interest of the political groups that made up the Bonn government; the German military tradition was not associated with any special tenderness for democratic practices and institutions. On the other hand, of all the restrictions imposed on Germany as a result of its defeat, none would be more galling in the long run than the prohibition to maintain armed forces com-

[24] *New York Times,* November 21, 1949.

parable to those of Germany's neighbors. The resultant sense of frustration could also be a threat to democracy, as it had been under the Weimar Republic.

Furthermore, Germany's position at the center of the East-West struggle made for an acute consciousness of the military menace in the East. The sense of insecurity that pervaded all Western Europe was particularly acute in Western Germany, whose defense depended entirely on the efforts of foreign countries. Controversies about the strategy of Western European defense and the location of the Western "defense line" were calculated to heighten the misgivings of those Germans who lived between the Rhine and the Elbe, and raised vital questions about what fate the Western powers envisaged for them in case of a Soviet attack. If it should be true that the Allies were thinking in terms of using German manpower in any way, it was important to ascertain their intentions as promptly and as precisely as possible.

Thoughts such as these were presumably in Adenauer's mind when, to the consternation of Western Allied authorities as well as many Germans, he undertook to precipitate a public discussion of Germany's possible role in Western European defense. In an interview with the West German press agency on December 4, the Chancellor denied that he favored the remilitarization of the Federal Republic or the creation of a new German army, but discussed in some detail the problems that would arise if the Germans should be obliged to assume a share of responsibility for the security of Western Europe. In that event, he indicated, he still would not favor an independent Germany army; but neither would he permit Germans to be enlisted for service in a non-German unit (like "mercenaries," as he said on a later occasion). The only acceptable solution in such a case would be a German contingent serving under European command, on the same basis as other components of the European armed forces.

Undaunted by the sensation that followed this statement, Adenauer restated his views more fully on December 7 in an address to the annual conference of the Christian Democratic

Union at Düsseldorf. The Germans were disgusted with war and wanted no army, he said; but they could not be left alone and unprotected between two hostile camps. The chief responsibility for German defense rested with the Allies, "who disarmed us." But, "if our people are forced to take a hand at some unforeseen time in the defense of Europe then we could do so only on the basis of equal rights and within the framework of a European army." Two days later, participants at a small semiprivate CDU meeting found the Chancellor even more explicit. Disregarding an informal suggestion from the High Commissioners that the subject he was developing was not a fortunate one, Adenauer declared that the Allies must remember that Germany "is not a desert but a heavily populated country." Having demilitarized it, they were responsible for its security. Which was worse, they would have to ask themselves—a German contingent in a European army, or the threat of Russia?

These increasingly plain demands for German participation in the joint defense of Western Europe aroused strong criticism not only outside Germany but also in most West German political circles. President Heuss openly deprecated such discussion as "harmful." Allied quarters found it difficult to see why Adenauer had felt it necessary to go to such lengths, and the mystery was not dispelled when he told the Bundestag on December 16 that the idea of a German contribution to European security originated with "an important non-German source." In the course of a stormy session in which criticism was heaped on Adenauer from many sides, spokesmen for all of the parties read declarations in which they formally recorded their opposition to rearmament. There was an element of paradox in the fact that some of the most nationalistic leaders in the Assembly, including the spokesmen of the Communists and those of the conservative German Rightist party, saw fit to condemn Adenauer's utterances not as manifestations of a militaristic spirit but as a mark of subservience to the Allies.

The flurry subsided, amid a general feeling that the matter was really rather academic and that opinion in the Western

capitals was by no means ready to contemplate German rearmament even in the indirect form Adenauer had suggested. Still unanswered and certain to recur was the question what, in fact, would happen to Western Germany if war should come.

Unanswered, too, were the great questions affecting Germany as a whole from which the Council of Foreign Ministers had shied away at Paris in May and June. The commandants at Berlin were still exchanging recriminations over the breakdown of the four-power talks they had undertaken in compliance with the Paris directive. The fourth session of the U.N. General Assembly had come and gone, with no move from either side to schedule a new four-power meeting on the German question. Instead, Vyshinsky stopped off in mid-December, on his way home from New York, to talk to Soviet and East German officials in Berlin, check on the purge of "unreliable elements" in the Soviet zone, and bolster the sagging prestige of the German Democratic Republic. However unimpressive in every other respect, the Soviet-sponsored government was a disturbing monument to past inter-Allied differences and a constant reminder that the German problem would never be really solved while the Big Four remained at odds.

In Western Germany the three powers had managed to keep developments at least formally within the elastic framework of their April agreements. With the progressive implementation of the Paris decisions of November, the Bonn regime was well on the way to regaining the characteristics of an independent government; but it was hard to escape the impression that the Germans had been forcing the pace and had proved more intractable than Washington, at least, had expected. The requirements of German growth and Allied security could not yet be considered in balance, and new questions were looming on the horizon—the status of the Saar, for example—which would provide new tests of judgment for Western statesmanship. What cumulative effect these recurrent frictions would have on future Allied-German relations was difficult to foresee. but persistent mistrust on all sides made it plain that the further course of German integration into the European family

would not be a smooth one. The Allies, partly by specific concessions and partly by the moral effect of their policies, had unquestionably lessened their ability to control German developments. It was already possible to foresee a day when the continuance or withdrawal of American aid would be almost the only bargaining weapon left in their hands. The fact that economic aid was presumably scheduled to end in 1952 tended to give decisive importance to the next two years as the time when, if ever, the larger part of Germany must enter a firm alignment with Western Europe.

During that time a great deal would depend on internal trends within the Federal Republic. The Bonn government would have its hands full in trying to keep the economy on an even keel, deal with an unemployment problem that had by now engulfed over 1.5 million workers, and create tolerable conditions for the millions of refugees and other discontented elements. Success or failure on these lines might determine whether or not the democratic, pro-Western trend in German life was to escape submergence by the irrational forces that had shaped German history in the Hitler era.

3. No Treaty for Austria

With significant differences, the great-power struggle that governed the destinies of postwar Germany was also the decisive factor in the life of the independent Austrian Federal Republic. In 1945 the victorious powers, by severing all connections between the small Danubian state and the defeated German Reich, had partially implemented their wartime pledge that Austria should be "liberated from German domination" and reestablished as a "free and independent" state. As yet, however, the Austrian people had regained neither full freedom and independence nor that "political and economic security" which, according to the three-power Moscow declaration of November 1, 1943, was "the only basis for lasting peace." Four years after the close of hostilities Austria, like Germany, still carried the burden of quadripartite military occupation,

still lacked full authority to conduct its own affairs, and still had no assured prospect of a treaty that would define the conditions of its postwar existence.

The differences between Austria's situation and Germany's sprang mainly from the decision of the Allies to regard Austria as a "liberated" rather than a conquered country. Since 1945 it had possessed a central government, recognized by all four occupation powers and endowed with considerably more authority than either of the new regimes in Germany. In political composition this government reflected the outcome of free elections, held in November 1945, which had registered a flat rejection of Communism and brought to power a Conservative-Socialist coalition which appeared resolutely determined to defend the country's independence against all comers. The Russians, to whom such a government could not be sympathetic, nevertheless refrained from open political agitation against it. The administration of their occupation areas in Eastern Austria and Vienna was replete with instances of arbitrary arrest, search and seizure, detention, and general lawlessness, affecting both Austrian and Western Allied personnel; on the other hand, there was no organized campaign against moderate political elements which could be compared with the Soviet tactics in Eastern Germany and Berlin. Relations between Soviet and Western occupation authorities in Austria were cool but generally correct.

This relative Soviet aloofness toward the Austrian political scene could be explained in part by the extreme weakness of the Austrian Communist party, which represented but 5 percent of the electorate and faced the uncompromising hostility of the much larger, highly disciplined Socialist party. In part it might stem from the lack of an effective Soviet veto under the procedures of the Allied Council for Austria. More fundamentally, the key to the Soviet tactics lay in the nature of Soviet objectives in Austria, which were primarily economic rather than political. The foremost Soviet aim was to gain possession of and remove, or operate for Soviet benefit, as large a part of the highly developed Austrian economy as possible. As occu-

pants of the largest and richest part of a country whose industrial plant has been considerably expanded during the years of Nazi rule, the Russians carried out a policy of economic spoliation comparable to their postwar achievement in Eastern Germany and Manchuria.[25] Placing the broadest interpretation on the vague language of the 1945 Potsdam agreement, which entitled them to satisfy their reparation claims against Germany "from appropriate German external assets," they laid hold of some 280 formerly German-owned factories throughout Eastern Austria, withdrew them from Austrian control, and operated them virtually as a part of the Soviet economy. Other assets, such as railroad equipment and scrap metal, were claimed as war booty. In the obvious hope of gaining a controlling position in the Austrian economy, they made various unsuccessful attempts to conclude bilateral economic agreements with the Austrian Government behind the backs of the other three powers.

A secondary Russian objective was to satisfy various claims of the Soviet satellite states against Austria—especially those of Yugoslavia, which was demanding a slice of territory in Austrian Carinthia on ethnographic grounds and claiming the sum of $150 million from Austria as war reparations. Pending the satisfaction of these claims, the Russians found it advantageous to use their presence in Austria as a bargaining counter in negotiations with the West and a means of pressure on their own satellites—two of which, Hungary and Rumania, were compelled to quarter Soviet troops on their territory, ostensibly to guard the supply lines of the Soviet occupying forces in Austria, until an Austrian treaty was concluded and the Allied occupation brought to an end. Definitely subordinate was the political aim of encouraging those trends in Austria that would favor eventual Communist control, or at least keep Austria from enrolling itself permanently in the Western camp. The basic Soviet strategy dictated by this hierarchy of objectives consisted in prolonging the military occupation and delaying the conclu-

[25] Cf. *The United States in World Affairs, 1945–1947,* 296-297; *1948–1949,* 82-85.

sion of a treaty until Soviet requirements had been satisfied as fully as possible.

The United States, Great Britain, and France looked on Austria from quite a different standpoint. For both humanitarian and practical reasons, their chief interest was in seeing Austria reestablished as a genuinely independent state which would act as a force for stability in Central Europe. They recognized, however, that economic factors made this goal extremely difficult to attain. With its highly developed industry and limited agricultural and raw material wealth, Austria would have the greatest difficulty in supporting its population of 7 millions unless it were able to associate itself with some larger economic area that could absorb its manufactures and supply a part of its essential imports. Experience between the wars had shown that the only alternative to such a wider association, if disastrous depression and unemployment were to be avoided, was large-scale economic aid from abroad. The Nazi interlude had aggravated the problem by further expanding the country's productive capacity out of all relation to the domestic market.

Both of the obvious solutions were excluded for political reasons. None of the great powers would sanction an economic union between Austria and Germany, which would represent a long step toward reconstituting the Greater Reich of 1938–1945. And close association with the countries of the Danube basin, which had once been ruled largely from Vienna but had now fallen under Soviet control, would mean Austria's complete absorption into the Eastern European trading area and its definitive loss to the West, both economically and politically.

The force of these obstacles to Austria's independence and economic viability was heightened by the conditions of the Allied occupation, under which the Austrian Government was denied full control of its own affairs and access to important resources. The general policy of the West, accordingly, was to mitigate the difficulties as far as possible by bolstering the authority of the Federal Government and providing whatever economic assistance was essential to keep the country afloat. Austria was a major beneficiary of the American post-UNRRA

and interim aid programs and, despite some Soviet objections, participated in the European Recovery Program from its inception, benefiting to the extent of some $200 million annually in the first two years. Additional funds were made available from American GARIOA (Government and Relief in Occupied Areas) funds and through special grants and credits, both American and British. From 1947 on the United States discontinued assessing occupation costs against Austria, while France and Great Britain made efforts to limit the occupation burden as much as possible.

Nothing approaching full recovery was conceivable, however, until a treaty could be concluded which would terminate the occupation, define the limits of the Soviet economic claims, restore the rest of the economy to Austrian control, and end the political and economic uncertainties which weighed upon the country. From 1945 to 1949, the Western governments pressed for an Austrian treaty with as much energy as the Soviet Government devoted to evasions and delays. It is true that this pressure was of varying intensity. At one or two crucial passages of the cold war, the Western powers seemed to hesitate about concluding a negotiation which would get the Soviets out of Austria but would also oblige the West to give up a valuable listening post on the fringes of the Iron Curtain. To withdraw, they reasoned, might expose Austria to a sudden military coup from one or more of the Communist-dominated countries that half surrounded it. In general, however, the Western powers saw their best interest in hastening the conclusion of a treaty that would free Austria from the Soviet incubus and give the country some chance of getting on its feet.

The four-power search for an Austrian treaty began in January 1947 and three years later was still without prospect of completion. No condensed account can do justice to the immense tedium of these negotiations, which dragged on through year after year, in London and other capitals, in the hands of special deputies of the four powers working under the auspices of the Council of Foreign Ministers. Occasionally the ministers themselves would take a hand at one of their infrequent meet-

ings and agree on one or another of the 50-odd articles in the treaty draft, after which the four deputies would resume their dreary round and settle themselves to await the next small concession by one side or the other.[26]

On certain basic principles agreement was reached without great difficulty, among them the reestablishment of a sovereign, independent, and democratic Austrian state, prohibition of its political or economic union with Germany, liquidation of the Nazi system, surrender of war criminals, and limitation of the Austrian armed forces to a land army of 53,000 and an air force of 90 planes and 5,000 personnel. Almost from the beginning it was evident that the main disagreements would revolve around (1) the definition of the "German assets" claimed by the U.S.S.R. in Eastern Austria, and (2) Yugoslavia's territorial and reparation claims, which were supported by the U.S.S.R. and opposed by the Western powers. These were the issues that bulked largest among the 18 unagreed articles of the draft treaty when the deputies adjourned *sine die* in May 1948, and which promised to cause the most difficulty when they reassembled in February 1949 in response to a desperate appeal from the Austrian Government.

Such further progress as was registered in 1949 could be traced directly to the growing quarrel between Yugoslavia and the U.S.S.R., which ultimately led the Kremlin to abandon its support of the Yugoslav demands and concentrate on getting a favorable solution of the German assets controversy. The effects of the coolness between Moscow and Belgrade were very evident during the deputies' meetings in February and March. Yugoslavia advanced its claims in a much less categorical form than hitherto, and the Soviet representative, though endorsing the Yugoslav position, contrived to give the impression that he was doing so less from conviction than with the object of showing that it was the Yugoslavs, not the Russians, who were delaying a settlement. In June, at the Paris meeting of the Council of Foreign Ministers, Vyshinsky went

[26] The course of the negotiations up to May 1948 is covered in *The United States in World Affairs, 1945–1947*, 204-205, and *1947–1948*, 94-102.

further. Without even demanding a fresh hearing for the Yugoslavs he accepted the principle, long insisted on by the West, that Austria should lose no territory and pay no reparations. Even the minimum Yugoslav demand for an autonomous regime for the small Yugoslav minorities in Austria was rejected; Austria, the ministers decided, would merely be required to guarantee that it would protect their rights. Instead of reparations, Yugoslavia would receive only the right (long since exercised) to "seize, retain, or liquidate Austrian property, rights and interests within Yugoslav territory." [27]

Disposal of the Yugoslav demands left the Soviet claim to German assets as the one remaining issue of first-rate importance. For over a year the deputies had been negotiating on the basis of a Soviet proposal whereby the U.S.S.R. had offered to limit its claims to three types of assets: (1) 50-year concessions on some two-thirds of Austria's oil fields, including exploration areas, and oil refineries with an annual capacity of 450,000 tons; (2) all of the assets of the great Danube Shipping Company in Hungary, Rumania, and Bulgaria, and one-fourth of that company's assets within Austria; and (3) a lump-sum payment of $200 million in freely convertible currency. This proposition might be thought exorbitant, but at least had the merit of relative definiteness. In effect it removed the German assets question from the realm of principle and converted it into a problem of economics. Months of hard, cautious bargaining by the deputies had progressively narrowed the gap between the Soviet and Western viewpoints.[28] When the U.S.S.R. withdrew its support of the Yugoslav claims, the Western powers resigned themselves to meeting the minimum Soviet demands.

At Paris it was agreed that Russia should receive, in full settlement of its claims, (1) 30-year concessions to 60 percent

[27] Four-power communiqué, June 20, in *Department of State Bulletin,* XXI, July 4, 1949, 858; for the Yugoslav reaction, cf. below, pp. 252-253.

[28] In the most important single Western move to expedite a settlement, the deputies of the U.S. (Samuel Reber), U.K., and France announced on April 8, 1949 that their governments were renouncing all claims to reparations from German assets in Austria. This left the U.S.S.R. as the only power advancing claims of this kind.

of the oil fields (including 8 years' exploration and 25 years' extraction rights in the undeveloped areas), and refineries with 420,000 tons annual capacity, together with the accompanying distribution facilities; (2) *all* of the assets of the Danube Shipping Company, in Eastern Austria as well as in Hungary, Rumania, and Bulgaria; and (3) the sum of $150 million in freely convertible currency, to be paid by Austria in six years. This arrangement would place a heavy burden on the Austrian economy and give the Soviet Union numberless opportunities for interference in Austrian affairs in years to come; but at least it seemed preferable to no treaty at all. "A sharply bargained arrangement," Secretary Acheson called it, "under which . . . a viable and independent Austria, which will have to scratch hard for its living but which will still be viable and independent, can emerge and rejoin the community of free nations." [29]

With this last major stumbling block removed, the deputies had been instructed to prepare a final treaty text by September 1 for the Foreign Ministers to consider at their proposed autumn meeting. The Soviet Government, however, still showed no particular eagerness to conclude the negotiations. The attitude of the Soviet deputy continued to hover on the fine line between tough bargaining and outright "stalling." Nine articles, including the detailed spelling out of the agreement on German assets and the listing of specific oil and shipping properties to be transferred, still remained unsettled on the September 1 target date.[30]

The Western powers were now determined not to relax their pressure for an agreement that would get the Russian occupation troops out of Austria. By a collective démarche they persuaded the Kremlin to let the deputies continue their discus-

[29] *Department of State Bulletin,* XXI, July 4, 1949, 860-861.

[30] For U.S. announcements on the course of negotiations after the Paris meeting see *ibid.,* XXI, September 12, 1949, 399; September 26, 1949, 468; October 3, 1949, 509; XXII, January 30, 1950, 162; March 6, 1950, 379. For the Kremlin's argument that the real obstacles to a treaty originated with the West, cf. N. Sidorov, "Who is Hindering the Preparation of the Austrian Treaty?" *New Times,* No. 2, January 8, 1950, 12-15.

sions in New York during the meeting of the U.N. General Assembly. On three occasions in September and October, Acheson, Bevin, Schuman, and Vyshinsky sat down together at the Waldorf-Astoria Hotel in the attempt to reinvigorate the languishing negotiations. Further discussion of the German assets question (article 35 of the draft treaty) consumed a full month before the Soviet deputy, equipped with new instructions on the disposition of specific oil properties, consented on November 18 to a final draft of this most controversial provision.

Only four important articles now remained to be settled, dealing with protection of United Nations property in Austria, displaced persons, Austrian prewar debts, and Austria's liability to compensate the occupying powers for loans, supplies, and services made available to it since May 1945 (article 48 bis). But at this point such interest as the Soviets had shown in concluding the negotiations abruptly disappeared. In successive meetings the Soviet deputy announced that he could not discuss any of these articles until the completion of certain bilateral talks between the Soviet and Austrian governments respecting the matters treated in article 48 bis.

Faced with a flat refusal to negotiate, the deputies on December 14 concluded their 246th meeting with an agreement to reconvene in London early in the new year, by which time it was hoped that the Soviet-Austrian negotiations would have been completed. At Vienna, however, the Russians showed no eagerness to speed the bilateral talks. According to Austrian sources, they were refusing even to disclose the full extent of their demands, a familiar tactic which made it impossible even to judge how long a final settlement might be delayed. A comprehensive proposal for settling the issue which the Austrians made on December 5 was still unanswered three months later.[31]

What had happened that made the Kremlin willing to incur the odium of standing out alone against Austria's treaty? Both global and local factors probably had weight with the Soviet leaders. By November the revival of international tension over

[31] Statement of Foreign Minister Karl Gruber to the Austrian Parliament, March 8, reported in *New York Times*, March 9, 1950.

Germany, China, atomic energy, and other issues had virtually nullified the conciliatory effects of the Paris meeting. The cold war, which had broken out again in full violence, was raging with special force in southeastern Europe. Relations between Yugoslavia and the Soviet bloc had entered a critical phase, and the Soviet troops in Hungary and Rumania were being put to effective use in a series of demonstrations along the Yugoslav frontiers.[32] To conclude an Austrian treaty now would deprive the U.S.S.R. of an important instrument in its campaign to force Tito's Yugoslavia back into line. Perhaps Moscow also had hopes that it could make the United States pay a supplementary price for the Austrian treaty by reversing the new American policy of encouraging Yugoslavia's independence.

Still another factor which doubtless had some influence on the Soviet Government was the outcome of the Austrian elections held on October 9, which confirmed the basically conservative trend of the Austrian electorate. Again the parties of the Catholic-Socialist coalition received a large, though diminished, majority; the Communists gained one seat in Parliament, but failed to increase their tiny share of the popular vote. More startlingly, a new right-wing group, the League of Independents (*Verband der Unabhängigen*), captured 11.7 percent of the votes and 16 seats in a Parliament of 165. This organization appealed chiefly to returned war prisoners, displaced persons, and former Nazis, and operated in an atmosphere that recalled the Nazi and pan-German fever of the 1930's.

The Catholic People's party, which had counted on receiving a good many votes from these same sources, had urged on Military Government the desirability of barring the League of Independents from the elections. Washington, however, reasoned that it was better to draw the Nazi vote into the open than to deflect it toward the candidates of the People's party, with possible adverse effects on the stability of the governing coalition. London took the same stand, allegedly not without a a feeling that the People's party's loss was the Socialists' gain.

[32] Cf. below, pp. 258-259.

In any event, the People's party lost its absolute majority in Parliament. The loosely knit League of Independents failed to exert appreciable influence on the national level, but its dissolution into a number of right-wing splinter groups furnished the Russians with a new and not wholly spurious political issue. By alleging a trend toward "renazification" in Austria they contrived to divert attention to some extent from their failure to conclude a treaty, at the same time arming themselves with a new pretext for continuing the occupation in case other excuses should be exhausted.

That the Soviet Government was earnestly determined not to sign a treaty at that stage became more than ever apparent when the deputies reconvened in London on January 9, 1950. The failure of the Soviet representative to offer any indication as to when the latest obstacles might be removed impelled the three Western governments to undertake a new démarche in Moscow. On January 18 the three Ambassadors saw Gromyko at the Kremlin, but found him scarcely less evasive. In its public release on the encounter the State Department hinted rather cryptically at new methods which might be adopted "to reestablish Austrian freedom and independence in accordance with the publicly stated policy of this Government." [33]

Short of the highly dubious expedient of a separate treaty with Austria, it was difficult to imagine what further steps the Department could have in mind. What was certain was that the patience of the Austrians was wearing thin. To them it seemed intolerable that their country, though officially exempted from the "enemy" classification, should still want full sovereignty years after Italy, Bulgaria, Hungary, and Rumania had been restored to peacetime status. To be excluded from the United Nations, to lack the qualifications for membership in the Council of Europe, to be denied a voice in the international regulation of the Danube,[34] to be forced to entertain the armies of four foreign powers on their own soil, seemed a poor return

[33] *Department of State Bulletin*, XXII, January 30, 1950, 162.
[34] Cf. *The United States in World Affairs, 1948–1949*, 128-129, 132, and below, p. 258.

for their remarkable record in restoring democratic government and avoiding political upheavals.

Despite these handicaps, Austria with Western aid had made a good start toward economic recovery, avoided serious inflation and virtually eliminated the black market. A promising long-range plan for the development of its indigenous resources was available, provided adequate investment sources to finance it could be discovered. Considerable progress had been achieved toward equilibrium in the balance of payments, but there would still be a large gap in 1952, the dangerous year when ERP was slated to end. The $150 million payment to Russia, the definitive loss of the Danube Shipping Company, and the surrender of the greater part of the nation's petroleum assets would make the road to recovery that much more difficult.

Politically the outlook appeared reasonably stable, but only if there was no major economic crisis to disturb the country's delicate social and political balance. Any pronounced growth of unemployment or fall in living standards would be likely to intensify party strife, revive old sectional and ideological antagonisms, disrupt the Catholic-Socialist coalition, accentuate centrifugal tendencies within the People's party itself, and create dangerous opportunities for subversion by the Communists on the Left, the neo-Nazis on the Right.

A safe exit from their difficulties depended partly on the resourcefulness of the Austrians themselves, but partly also on conditions beyond their control. In a real sense, Austria's whole future hung on the further course of the East-West struggle. To make its way in the world, Austria required not only a tolerable treaty settlement but some opportunity to develop tolerable relations, both economic and political, with the countries to the East. So long as the antagonism of the great powers precluded the establishment of normal conditions along the Danube, Austria would be not only an innocent victim of the cold war but also a potential source of unrest and instability in Central Europe.

CHAPTER EIGHT

DIVISION IN THE SOVIET BLOC

DURING THE LATER years of the war all of the great powers gave a good deal of attention to the problem of how to reconcile their permanent security interests in Europe. One method that commended itself to the Russians and was not wholly unacceptable to the British was the assignment of "spheres of influence" whereby the power with predominant interests in a given area would have a right to organize the region in accordance with its own requirements. American diplomacy was strongly opposed to arrangements of this type, which had failed to safeguard peace in the past and were difficult to reconcile with the principles of democratic self-determination.

Although the United States accepted the Soviet demand that "friendly" governments be installed in the countries along the Soviet borders in Europe, it saw no conflict between this requirement and its own insistence that such governments must also be both "democratic" and "independent." At the Yalta conference in 1945, the three powers reached a series of broad agreements which seemed to ensure that both sets of requirements would be fulfilled in the area between the Baltic, the Black Sea, and the Adriatic. In making this assumption some Americans may have tended to overestimate the strength of native democratic traditions in Eastern Europe, and to underestimate the determination of the U.S.S.R. to bring the area under its de facto control. At any rate, the interaction of Soviet and Western policies in Europe during the next three years resulted in precisely such a division of the Continent as the United States had hoped to avoid.

Soviet policy in Eastern Europe, before and after Yalta, contrasted sharply with the hesitancy of the United States to

shoulder responsibility in the Old World. The Russians, whose military power was the chief political factor in the area, alternately disregarded the applicable three-power agreements and subjected them to unilateral interpretations which enabled them to shape developments according to their own taste. Between 1945 and 1948 local Communist organizations—sometimes with considerable popular support, but always acting on behalf of the U.S.S.R., and aided where necessary by the visible presence or the active intervention of the Soviet Army—maneuvered themselves into full control in Yugoslavia, Albania, Bulgaria, Rumania, Hungary, Czechoslavakia, and Poland.

This process allowed for relatively little distinction between those states that had sided with the Axis and those that were original members of the United Nations. The common denominator in Eastern Europe was neither political, nor racial, nor historical, but geographical. With little in common except their proximity to the Soviet Union, all of these countries were caught up in a common destiny. Under the euphemistic name of "people's democracy," they entered upon a rapid transformation involving totalitarian rule by Communists controlled from Moscow, destruction of personal and political freedoms, adjustment to the Soviet economic, social, and cultural system, complete subordination to the aims of Soviet foreign policy, and severance of virtually all ties with the non-Soviet world. Finland alone, on condition of unwavering adherence to the Soviet line in foreign affairs, was permitted to retain the essentials of a free-enterprise, parliamentary system. Throughout the rest of their Eastern European sphere, bloc, or orbit, the Russians by 1948 had established their control in a form against which the West might protest but which it was powerless to shake. If Soviet domination was open to any serious challenge, it could come only from within.

That the Soviet leaders and their Communist henchmen were not too sure of their control was evidenced by the relentless warfare they maintained against every vestige of the old order in Eastern Europe and every element of potential resistance to the new. Struggle against the enemy within the

gates, real or suppositious, was an essential part of this attempt to impose a uniform, totalitarian pattern on a group of nations whose level of social and cultural development in several instances surpassed that of the U.S.S.R. itself. The ruthless pressures and social discriminations, the formidable police apparatus, and the frantic propaganda of the ruling Communist cliques reflected the difficulty—perhaps the impossibility—of reducing the 80 million-odd people of the satellite states to the dead level of Stalinist uniformity.

The full scope of the problem, however, did not become apparent until the summer of 1948, when the open revolt of Marshal Tito and the Yugoslav Communist party showed that insubordination to the new scheme of things was no monopoly of the dispossessed ruling classes, the bourgeoisie and the so-called "reactionaries in the service of foreign imperialism." By claiming the right to exercise his own initiative in managing his domain, Tito showed that the poison of nationalism and the urge to individual self-expression were capable of infecting even the most trusted instruments of international Bolshevism.

Tito's defiance meant the addition of a new category to the enemies of "popular democracy" in Eastern Europe. What had happened under exceptional conditions in Yugoslavia could conceivably happen again, in Poland, in Bulgaria, in any country of the Soviet bloc. Despite the zeal with which the Communist leaders throughout the orbit hastened to condemn the Tito heresy, it was difficult to believe that some of them did not feel a sneaking admiration for a stand which might seem quixotic but was certainly not lacking in courage. The mere suspicion of such feelings, which cast doubt on their ideological infallibility as well as their de facto control, was intolerable to the men in the Kremlin. "Titoism," or "national Communism," became the number one enemy throughout Eastern Europe.

By 1949 a new emphasis had become apparent in the continuing fight against "reactionaries and enemies of the people." Throughout the area the separate campaigns directed against Western influences, against domestic "anti-social" elements, and against real or suspected Titoists merged into a single

operation, highlighted by a series of fantastic treason trials in which all of these strange associates were lumped together in the guise of co-conspirators against the "popular" regimes. As a corollary of Yugoslavia's defection and the intensified struggle within the Soviet orbit itself, pressure against Greece by the southern members of the Soviet bloc was necessarily relaxed. Tito's decision to cut his commitments in the Greek civil war, coinciding with a highly successful campaign by the U.S.-supported Greek army, deprived the Communist guerrillas of their main prop and enabled the Greek people to taste the blessings of peace almost for the first time since 1940.

A salient feature of this revolutionary process was the exclusion of the Western powers from any voice in the affairs of the Soviet sphere. With systematic zeal the local Communist regimes rooted out the historic influence of the Western countries, destroyed their economic position, flouted their treaty rights, vilified their governments, isolated and harassed their diplomatic missions, persecuted and tortured their local employees, muzzled their information services, omitted no step which would tend to bring them into discredit. If the United States and Great Britain had accepted the de facto Soviet control of Eastern Europe at the outset, it is just conceivable that this attack on their rights and interests might have been avoided and an over-all understanding with the Soviet Union facilitated. At all events, their resistance to the extension of Soviet totalitarianism in the area contributed much to the bitterness of the East-West struggle.

There was nothing particularly Machiavellian about the policy of the Western governments, which was inspired less by any long-range plan than by a natural tendency to resist a process which they found absolutely inconsistent with their moral and political outlook. A "rolling back" of Soviet influence in Eastern Europe might, indeed, commend itself to officials in Washington and London as a desirable long-range objective, but they were realistic enough to appreciate that if this could be achieved at all, it could hardly be done by peaceful means. Their cautious, half-embarrassed relations with émigré leaders

representing the prewar political parties of Eastern Europe revealed the absence of any plan to establish peacetime "governments-in-exile," and the inherent incredibility of the charges against the West in treason trials behind the Iron Curtain was proof in itself that they had developed no effective program of revolutionary subversion from within. For practical purposes, they were reduced to a short-run and not very hopeful policy of attempting to minimize the damage that was being done to their own interests and those of their nationals in the area.

Diplomatic protests which were seldom heeded, and critical radio broadcasts which reached at best a limited audience, were the ordinary tools of U.S. and British policy toward Eastern Europe. Occassionally an opportunity presented itself for direct retaliation against some peculiarly offensive breach of diplomatic custom. Such steps might annoy the Eastern chancelleries, but did not hurt them much. Only three other methods remained to the West for creating embarrassment behind the Iron Curtain. One of these was the ability to make it difficult for Eastern European countries to obtain specific commodities which could contribute, directly or indirectly, to building up Soviet military potential. The second was the legal right of the United States and Great Britain to bring the former Axis satellite states—Bulgaria, Hungary, and Rumania—before the bar of world opinion for their disregard of the human rights and freedoms they had pledged themselves to respect when they signed the postwar treaties. The third and most powerful weapon available to the West was the chance to encourage the independent stand of Yugoslavia and thus prevent the repair of this most dangerous rift in the Soviet bloc.

1. *The Crisis of "People's Democracy"*

A detached observer of the Eastern European scene in the year 1949 might easily have been reminded of the "war of all against all" which the philosopher Hobbes had imagined to be the primitive state of man. Struggle and conflict were the pre-

vailing condition throughout the Soviet orbit. Even liberal-democratic Finland was not free from alarming tirades of Soviet criticism and quasi-revolutionary strike attempts by the Communist-dominated sections of its labor movement. Elsewhere, from Poland to Albania, the ruling Communist cliques, while struggling to transform their more or less backward, agrarian countries into modern, industrialized, socialist states on the Soviet model, were battling on many fronts: (1) to dragoon their recalcitrant populations into submission to the "people's democracy" and the U.S.S.R., the "great socialist fatherland"; (2) to eliminate the few vestiges of Western influence which still clustered around the diplomatic missions of the Western powers; (3) to overthrow the American-supported, "monarcho-fascist" regime in Greece by giving aid and comfort to the Communist-led Greek insurgents; (4) to overthrow the heretical Communist Party leadership of Yugoslavia by ever-increasing moral, economic, and diplomatic pressure; and (5) to purge the Communist movements throughout the orbit of actual or potential imitators of Tito's deviation.

While these separate struggles merged and interpenetrated in a confusing welter of events, the entire population, through the government-controlled information media, the schools, and the mass organizations in which practically everyone was obliged to take part, underwent a relentless campaign of pressure and indoctrination aimed at giving substance to the conception of an alliance of workers and peasants spearheaded by the militant Communist party.

The positive side of this endeavor was the perfecting of the six loyal "popular democratic" regimes as way stations on the road to socialism. The main lines of this process had been laid out in previous years; Hungary's adoption of a new constitution on the Soviet model, and its nationalization of foreign and private trade at the close of 1949, virtually completed the cycle of legislative innovations. All of the "people's democracies" now had fully directed economies which were being developed in accordance with long-range economic plans. In line with the over-all policies enunciated by the Communist Information Bu-

reau (Cominform) and the Council for Mutual Economic Assistance, industrialization was pressed forward and the countryside slowly entered upon its predestined transformation from a regime of small peasant holdings to one of large-scale "cooperative" production.

Because of the calculated shortcomings of Communist statistics and the heavy penalties that attended disclosure of the real facts, the concrete achievements of the new planned economies defied objective measurement. It seemed clear that the exaggerated growth of heavy industry, to which all other phases of economic life were subordinated, was making progress but was still imperfectly coordinated and was held back by the inadequacy of outside aid, which left the satellite countries basically dependent on their own limited resources.[1] Boasting about production successes mingled with persistent complaints of mismanagement, absenteeism, and lack of labor discipline.

Among the few outsiders who were able to view the situation at close range, some at least tended to feel that local economic conditions had improved somewhat over the low levels of 1946 and 1947. The most significant measure of economic trends in the area, however, was to be found elsewhere: in the progress of the long-term reorientation of the satellite economies away from their old, mutually beneficial trade relations with Western Europe and toward participation in a closed trading area centering around the U.S.S.R.

By 1948, trade among the countries of the Soviet bloc already had risen to 288 percent of the 1938 level, while trade between Eastern and Western Europe still stood at only 42 percent of 1938.[2] A variety of technical factors helped to account for this phenomenon, which from an economic standpoint was disadvantageous to both sides. The main explanation, however, lay in the deliberate policy of the Kremlin. After assuring itself a first priority on the output of the satellite nations, the Soviet

[1] Cf. Samuel L. Sharp and Laure Metzger, "Industry and Agriculture in Eastern Europe—I: Industry," *Foreign Policy Reports,* XXVI, March 15, 1950, 1-8.
[2] U.N. Economic Commission for Europe, *Economic Survey of Europe in 1948* (Geneva, 1949), 134.

Government had forbidden their participation in the Marshall Plan and, in January 1949, established the Council for Mutual Economic Assistance as a rival organization with the express task of furthering "broad economic cooperation" among the countries of Eastern Europe.[3] Poland and Czechoslovakia continued to look to the West as the only satisfactory source of the capital goods their economies needed; but they were short of foreign exchange, could expect little in the way of Western credits, and, except for Poland's coal, had comparatively little to offer once the claims of the U.S.S.R. and the other orbit countries were satisfied.

A subsidiary but politically important factor was the U.S. policy of refusing exports of war-potential goods to countries of the Soviet bloc.[4] During 1949 the U.S. Government utilized its export control powers with redoubled zeal, with the result that total U.S. exports to Eastern European countries (excluding the U.S.S.R. and Yugoslavia) sank to $81.7 million as compared with $131.8 million in 1948.[5] At the insistence of the United States, the other Western countries participating in ERP likewise barred exports of direct military significance to Eastern

[3] *The United States in World Affairs, 1948–1949,* 203-204.

[4] *Ibid.,* 200-202. By the Export Control Act of 1949 (Public Law 11, 81st Congress, approved February 26, 1949) Congress extended until June 30, 1951 the President's authority to control exports to protect the domestic economy or for foreign policy or security reasons.

[5] Includes exports to Estonia, Latvia, and Lithuania. The following table shows the value of U.S. exports to and imports from Eastern Europe in the two years (in thousands of dollars):

	1948	*1949*
U.S. Exports to		
U.S.S.R.	27,879	6,617
Yugoslavia	8,017	20,899
Other Eastern Europe	131,825	81,666
Total	167,721	109,182
U.S. Imports from		
U.S.S.R.	86,825	39,140
Yugoslavia	5,025	14,888
Other Eastern Europe	65,286	55,634
Total	157,136	109,662

Source: *Foreign Commerce Weekly,* XXXVIII, March 6, 1950, 12-13.

Europe.[6] On the other hand, they showed much more interest in developing general commercial exchanges with the Soviet bloc. A considerable expansion of Western European exports to Eastern Europe, and a smaller increase in imports from that area, occurred during 1949.[7] Great Britain in particular, because of its urgent need to develop trade with the non-dollar area, was anxious not to recognize an "economic Iron Curtain," and negotiated important long-term agreements during the year with Poland, Czechoslovakia, and Yugoslavia.[8]

Efforts to lower the East-West trade barriers along a broader front continued to center in the U.N. Economic Commission for Europe (ECE), whose fourth session at Geneva in May was mainly taken up with recriminations on the subject between Eastern and Western spokesmen. Although a permanent committee was set up to continue working on the problem, the main obstacles were of a political nature and lay outside the domain of the ECE.

Within the satellite countries the postwar economic transformation had brought with it a massive reorientation of the social structure. Land reform and the expropriation of large-scale industry and trade virtually eliminated the influence of those social classes that might have organized large-scale resistance to the new order. Administrative discrimination, economic pressure, the secret police, forced labor, and the concentration camp did the rest. In Czechoslovakia, where the deeply entrenched bourgeoisie was less quickly eliminated, thousands of business and professional men were rounded up

[6] This was a requirement of the original Economic Cooperation Act and was retained in the amended act of 1949 (Public Law 47, 81st Congress, approved April 19, 1949).

[7] Henry Chalmers, "Current Trends in Foreign Trade Policies: Review of 1949," Part II, *Foreign Commerce Weekly*, XXXVIII, March 6, 1950, 7. Cf. the detailed figures assembled in Economic Cooperation Administration, Division of Statistics and Reports, *Charts and Tables from Recovery Guides, Revised to February 15, 1950* (Washington, ECA, 1950), 129-139.

[8] On the Anglo-Polish agreement (January 14), cf. *The United States in World Affairs, 1948–1949*, 199. The agreements with Czechoslovakia (September 28), which included a settlement of British claims for nationalized property and prewar debts, envisaged a total trade of some £15.6 million annually over a five-year period. On the Anglo-Yugoslav agreement (December 26), cf. below, pp. 256, 262.

in the latter part of 1949 and imprisoned or assigned to forced labor battalions. Throughout the orbit a constant pressure was maintained against the so-called "rich peasants" or kulaks who stood as the chief obstacles to the collectivization of agriculture ordered by the Cominform in 1948.

Unorganized and without means of resistance, such groups fought a losing battle for survival. One great nucleus of moral resistance remained, however, in the power of the churches, particularly the Roman Catholic Church in Hungary, Czechoslovakia, and Poland. Organized religion, as a channel of "foreign" influence and an uncompromising ideological competitor of the Communist doctrine, had by 1949 become a main target of the "people's democratic" regimes. By different means —sensational trials of leading churchmen in Hungary and Bulgaria, mob action and legislative pressure in Czechoslovakia, whispering campaigns and charges of corruption in Poland— the Communists worked to discredit the established church hierarchies and, as a minimum objective, free the ecclesiastical apparatus from Vatican or other foreign influence and bring it under their own "national" control.

Concomitantly with the battle against organized religion, the "people's democracies" intensified their war on the diplomatic front. Not content with persecuting and insulting the U.S. and other Western missions and preventing them from giving normal diplomatic protection to their nationals who had fallen afoul of the authorities, the Communist regimes went to extreme lengths to brand them as hotbeds of subversion and espionage. Charges of plotting with members of the local American mission were a regular feature of the numerous treason and spy trials that erupted over Eastern Europe. Violation of the minimum standards of diplomatic courtesy, carried to the utmost limits by the ex-Axis satellites, Bulgaria, Hungary, and Rumania, was standard practice in all countries of the Soviet bloc. The underlying purpose, said Secretary Acheson when diplomatic relations with Bulgaria were finally severed in February 1950, was plainly "to make the so-called iron curtain impenetrable . . . to cut off the people of Eastern Europe from

the free world, to deprive them of all hope of any other fate than that reserved for them by their present rulers, and to liquidate all signs and symbols of Western influences. . . ." [9]

With the successful revolt of Tito's Yugoslavia, new features appeared in the accusations leveled against American representatives as well as local politicians. Mere plotting to restore the old "reactionary" regimes gave place to the more heinous crime of plotting with the heretic Tito against the integrity of the "people's democratic" order. Having failed to shake Tito's hold in Yugoslavia for the time being, the Soviet-Communist leadership had undertaken a gigantic campaign to discredit possible sympathizers in Eastern Europe and forestall any repetition of his revolt. The full battery of Communist pressure—denunciations, purges, trumped-up trials, unhampered by Western concepts of evidence or verisimilitude—was now turned inward upon the Communist fold itself. Swollen party membership lists were combed, doubtful elements weeded out, party organization and discipline tightened, and salutary examples made of any whose past records or associations gave ground for misgivings. Formerly trusted Communist leaders—Wladyslaw Gomulka in Poland, Koci Xoxe in Albania, Traicho Kostov in Bulgaria, Laszlo Rajk in Hungary—were progressively eliminated to make way for a new leadership whose chief claim to distinction was its Stalinist orthodoxy and its subservience.

Among the innumerable actions by which the new rulers of Eastern Europe showed their contempt for traditional standards of political conduct, no single event so stirred American and world opinion as the arrest and treason trial of Jozsef Cardinal Mindszenty, Roman Catholic Primate of Hungary. Even the tumult occasioned by the 1946 collaboration trial of Archbishop Aloysius Stepinac in Yugoslavia was surpassed when the Cardinal and six associates were arrested in late December 1948 on charges of plotting to restore the Hapsburg monarchy and engaging in espionage and illegal currency transactions. What captured public attention was not so much the

[9] *Department of State Bulletin,* XXII, March 6, 1950, 377.

nature of the charges as the incomprehensible behavior of the principal defendant, whose apathetic air and unconvincing, strangely qualified admissions of guilt fostered a widespread belief that he had been tortured, drugged, hypnotized, or otherwise mistreated. Numerous protest meetings were held in the United States, and on February 9, one day after the Cardinal was sentenced to life imprisonment, the House of Representatives unanimously adopted a resolution branding both the Stepinac and Mindszenty cases as instances of religious persecution, violations of the principles of the U.N. Charter, and issues that "should be raised by the United States either in the United Nations or by such other means as may be most appropriate." [10]

To the executive branch, which independently expressed its horror and disgust over the Mindszenty case, the proceedings against the Hungarian prelate were only the most flagrant of a whole series of actions by Eastern European governments affecting Protestant as well as Catholic churchmen. Bishop Lajos Ordass, head of the Lutheran Church in Hungary, was still in prison and reportedly under pressure to resign following his arrest on currency charges in September 1948. In Rumania the Greek Catholic (Uniate) Church, which recognized the spiritual authority of the Vatican, had been formally dissolved in December after undergoing an enforced amalgamation with the Rumanian Orthodox Church.

In a more sensational case in Bulgaria, 15 leading Protestant ministers had been arrested in December and were formally indicted on February 10 on charges of treason, currency offenses, and espionage contacts with American and British personalities. The fantastic trial which opened in Sofia on Feb-

[10] House Concurrent Resolution 19, 81st Congress, February 9, 1949. The Senate later unanimously approved a similar resolution (Senate Resolution 102, April 11, 1949) condemning the treatment of both Catholic and Protestant clergy in Hungary, Yugoslavia, and Bulgaria. On February 12 the State Department announced that U.S. Minister Selden S. Chapin, following a formal Hungarian request for his recall because of "false and outrageous" allegations of involvement in the Mindszenty case, would be ordered to Washington "for consultation." Chapin later resigned as Minister to Hungary and a new Minister was accredited in October.

ruary 25, after the publication of full "confessions" by all of the accused, had virtually no parallel in judicial annals. Instead of defending themselves, the accused competed with each other in tearful self-incrimination, expressions of contrition, and professions of loyalty and gratitude to the Bulgarian authorities who had enabled them to see the error of their ways. With an exaggerated zeal that might have been calculated to point up the absurdity of the entire proceeding, the defendants joined with the prosecution in turning the trial into a vast indictment of the pernicious influence of the United States and Great Britain.

In statements pointing out the patent falsity of the charges against the clergymen, both the State Department [11] and the British Foreign Office drew attention to the generalized nature of the Communist attack on religious liberties and to the fact that the Western governments had a special interest in the matter under the treaties of peace with the former Axis satellites. In fact, the terms of the peace treaties with Bulgaria, Hungary, and Rumania gave a legal basis for protest which did not exist in the case of Yugoslavia, Czechoslovakia, or other Eastern countries where anticlerical and repressive policies were being pursued. By a uniform clause appearing in all three treaties, these governments had undertaken to secure to all persons under their jurisdiction, "without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting." [12] It was on this basis that the American and British governments undertook to open an offensive against the whole political system which had fastened itself on the peoples of Eastern Europe. If there was little

[11] Statement of February 11, in *New York Times,* February 12; note of February 21 in *Department of State Bulletin,* XX, March 6, 1949, 300.

[12] Article 2 of the Treaties of Peace with Bulgaria and Hungary, and article 3 of the Treaty of Peace with Rumania, effective September 15, 1947. Hungary and Rumania further undertook to prevent any legal discrimination among their nationals, on grounds of race, sex, language or religion, in reference to their "persons, property, business, professional or financial interests, status, political or civil rights or any other matter."

chance of inducing the governments in question to change their ways, there was even less likelihood that relations with them could be made worse than they were already. The legal position was sound, and the issues seemed important enough to be brought into the full light of world publicity.

In preliminary statements on March 16 the U.S. and U.K. governments reviewed the manner in which the Balkan peace treaties had been implemented. Bulgaria, Hungary, and Rumania, they pointed out, had "flagrantly violated or failed to fulfill" many of their peace treaty obligations, affecting not only human rights and freedoms but also disarmament, demilitarization, and the property rights and interests of the United Nations and their nationals. All endeavors to obtain compliance, or even to secure information as provided in the treaties, had been frustrated by the noncooperation of the three governments and of the Soviet Union, which was jointly responsible with the U.S. and U.K. in all matters concerning the execution and interpretation of the treaties. The initial 18-month period for the adjustment of questions arising under the treaties had expired on March 15, 1949; but the substantive rights and obligations of the parties remained as before, and the American and British governments announced that they reserved the right to have recourse to other enforcement machinery provided in the treaties themselves.[13]

Two weeks later the two governments presented formal notes to Bulgaria, Hungary, and Rumania, recalling those countries' obligations to protect human rights and fundamental freedoms and reviewing the long record of repressive acts—directed against the political parties, the press, the churches, and the population at large—which, in the words of the U.S. notes, had "become so notorious as to evoke the condemnation of free peoples everywhere." The accused governments, it was asserted, had "deliberately and systematically denied . . . by means of privative measures and oppressive acts" the exercise of the

[13] *Department of State Bulletin,* XX, March 27, 1949, 391; statement of Hector McNeil, Minister of State, in *Parliamentary Debates, Weekly Hansard,* House of Commons, March 16, 1949, 2120-2124.

very rights and freedoms they had pledged themselves to secure. Accordingly, they were now summoned to "adopt prompt remedial measures" and specify the steps they meant to take in implementation of their promises. Canada, Australia, and New Zealand, as signatories to the Balkan peace treaties, formally associated themselves with the terms of the Anglo-American notes.[14]

Foreseeing the probable satellite line of defense, the U.S. and U.K. emphasized that they could accept "no specious argument that the matters raised . . . are purely of a domestic character." This, nevertheless, was the rejoinder of the accused governments. Human rights and fundamental freedoms. they insisted, were fully safeguarded in their jurisdictions, "in accordance with the most modern and democratic of laws." Furthermore, they asserted, their accusers were using the peace treaties as a mere pretext for intervening on behalf of reactionary, fascist, and antidemocratic elements. Hungary and Rumania went further by drawing attention to the "notorious" deprivations of rights and discriminations practiced in the United States.

Refusing to be distracted by such "false and irrelevant" allegations, the Western governments notified the three satellites that in view of the unsatisfactory nature of their replies a "dispute" had arisen concerning the interpretation and execution of the peace treaties; accordingly, the matter would be duly referred for consideration to the American, British, and Soviet chiefs of mission in the three capitals.[15] The Soviet Union, however, not unexpectedly refused to play. In notes to the American and British governments on June 11 it reiterated its satellites' contention that the treaties had not been violated and

[14] Canada was not a signatory of the Bulgarian peace treaty but associated itself with the U.S. note to Bulgaria. The extensive diplomatic correspondence on this issue, the essence of which was reproduced in the *Department of State Bulletin,* is conveniently assembled in U.N. Document A/985, September 23, 1949.

[15] The peace treaties provided for the reference of such disputes to three-power consultation and thereafter, if no agreement was reached, to specially appointed commissions comprising one member named by each party to the dispute and a third member to be named jointly or, in case of disagreement, by the Secretary-General of the United Nations.

that the matters at issue were entirely within the domestic jurisdiction of Bulgaria, Hungary, and Rumania. Although the United States and Britain had no intention of allowing the matter to drop, the stipulations of the peace treaties required them to wait some weeks before proceeding to the next step in the enforcement procedure.[16]

In keeping the issue alive, the two governments were encouraged by the sympathy with their basic position which had been manifested in the spring session of the U.N. General Assembly. Although the Assembly approached the issue from a somewhat different legal and ideological standpoint, the majority clearly shared the Anglo-American repugnance toward the practices of the satellite governments and was prepared to give moral endorsement to action taken under the peace treaties. Such reservations as were expressed by non-Communist governments in the U.N. concerned the legalistic more than the substantive aspects of any stand the Assembly might take. In a resolution (No. 272)[17] adopted on April 30 by a majority of 34 to 6, with only the Soviet bloc states in opposition, the Assembly expressed its "deep concern at the grave accusations" made against Bulgaria and Hungary, voiced the hope that the measures being taken under the peace treaties would be "diligently applied," drew the attention of Bulgaria and Hungary "most urgently" to their treaty obligations, and decided to retain the question on the agenda of its autumn session.

Rumania was not included in the Assembly's resolution, primarily because recent events there had lacked sufficient dramatic impact to capture the attention of the original sponsors, Bolivia and Australia. Nevertheless the tone of the debate left no doubt that the real issue, for both advocates and opponents of the Assembly's action, transcended the arbitrary limits of the resolution. What was at stake was the meaning of one of the United Nations' basic objectives: "To achieve international cooperation . . . in promoting and encouraging respect for hu-

[16] Cf. below, pp. 271-272.

[17] Resolutions of the General Assembly are here cited by the basic serial number under which they appear in the Assembly's *Official Records*.

man rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion. . . ." Realization that the practice of the Balkan governments was falling far short of this ideal would further lessen their chances of qualifying for membership in the world organization.[18]

2. *Yugoslavia Takes the Plunge*

The spring session of the General Assembly, which witnessed both the agreement to end the Berlin blockade and the rejection of an informal Soviet proposal for terminating the civil war in Greece,[19] was followed by a marked intensification of Communist pressures throughout Eastern Europe. In the last week of May, Communist leaders from many countries foregathered in Prague for the ninth congress of the Czechoslovak Communist party. The visitors included Soviet Vice Premier G. M. Malenkov, who was doubtless in a position to acquaint his foreign colleagues with the Kremlin's opinion on the next phase of the struggle.

Among the many objects of Communist hostility, two now emerged into greater prominence than ever before. Locally, the Catholic Church in Czechoslovakia entered on days of travail as Communist-inspired "national" Catholic Action groups were set up to sway the allegiance of the faithful, and Communist mobs shouted down the Archbishop of Prague in his own cathedral, forcing him to become a voluntary prisoner in the archiepiscopal palace.[20] On the broader front, a new and more violent campaign opened against the "Tito clique" in Yugoslavia and its real or possible "deviationist" adherents in the other "people's democracies."

In mid-June 1949, the drive against "nationalist deviationism" overtook three of Eastern Europe's most prominent Communists within a single week. Koci Xoxe, Number Two Albanian Communist, who had been arrested in October 1948

[18] Cf. below, pp. 288-289.
[19] Cf. below, p. 265.
[20] For Secretary Acheson's caustic comments see *Department of State Bulletin*, XXI, July 11, 1949, 30; August 1, 1949, 148.

and secretly tried on the charge of preparing Albania's "surrender . . . to Trotskyist Yugoslavia," was condemned to death on June 10 and executed the next day. Bulgaria's Traicho Kostov, considered the runner-up to Premier Georgi Dimitrov himself until he was removed from the government in April for nationalist deviations and anti-Soviet acts, was dropped from the Bulgarian Communist party on June 14, expelled from the National Assembly, and arrested on the 25th on charges of economic sabotage. In Hungary, Foreign Minister Laszlo Rajk was dropped from the cabinet on June 10, expelled from the party on the 15th, and, together with 19 others, arrested on espionage charges on the 18th. Publicity accompanying the Kostov and Rajk arrests indicated that these were only the first steps in a purge that was meant to go to the diseased roots of the respective party organizations.

Against Yugoslavia itself, meanwhile, the harassing tactics which the other Eastern governments had been gradually intensifying over the past 11 months began to take on a more menacing appearance. The tightening economic blockade by the Cominform states reached a climax as Czechoslovakia, Hungary, and Poland severed all commercial relations with Yugoslavia. Hungary, after allegedly halting reparations payments to Yugoslavia in 1948, expelled the Yugoslav reparation and restitution missions and four officials of the Yugoslav legation. The Greek guerrilla leaders, through their radio transmitter in Rumania, accused the Tito clique of assisting the tactical operations of Greek Government forces and of designing to annex Greek Macedonia to Yugoslavia. The U.S.S.R. itself, in a scornful rejection of Yugoslavia's complaints concerning the encouragement of dissident Yugoslav elements on Soviet territory, charged the Belgrade government with having "slid into the camp of the foes of the Soviet Union." [21]

Simultaneously the Soviet Government prepared to strike the long-withheld, decisive blow which would finally sever Yu-

[21] Soviet note, May 31, in *Relazioni internazionali,* XIII, June 11, 1949, 383. Practically all of the diplomatic correspondence referred to in this section is reprinted in the same publication.

goslavia's connection with the Soviet bloc. Hitherto Belgrade and Moscow, however bitterly they might denounce each other in print and on the air waves, had sedulously maintained the conventions of a family quarrel and refrained from dealing with third parties to each other's detriment. Throughout the recent United Nations meetings, Yugoslavia had conscientiously supported the Soviet Union on every issue that came to a vote. Now, at the Paris meeting of the Council of Foreign Ministers, the Soviet Government formally ceased to support Yugoslavia's territorial and financial claims against Austria, and thus in effect dissociated itself from any responsibility for Yugoslav foreign policy.[22]

When Vyshinsky threw Yugoslavia overboard for the sake of reaching some kind of agreement with the West, he destroyed the only possible basis on which Yugoslavia could continue as a member of the Soviet bloc—reciprocal support in foreign affairs, while leaving the Yugoslav leaders free to interpret the Marx-Lenin gospel in their own way at home. It made no difference that the concessions on Austria were hedged with conditions that purported to save much of the substance of Yugoslav demands;[23] it mattered still less that the Soviet Government shortly found new pretexts for delaying conclusion of the Austrian treaty negotiations. If anything had been lacking to goad the Yugoslav leaders to utter fury, Vyshinsky supplied it when he alleged that Yugoslavia had previously negotiated with the United Kingdom, behind the back of the Soviet Union, concerning its Austrian demands. Henceforth Yugoslavia's quarrel with the Kremlin and the Cominform was to be war to the death.

Yugoslavia instantly protested the Big Four "dictate" on Austria and gave notice that it would "never renounce" its claims. On other fronts it took a series of actions which, though seemingly unrelated, suggested the pattern to which its foreign policy would adhere in the following months. Anticipating

[22] Cf. above, pp. 227-228.

[23] Austria was to "guarantee to protect the rights of the Slovene and Croatian minorities in Austria"; Yugoslavia was to have the right to "seize, retain, or liquidate Austrian property, rights and interests within Yugoslav territory."

that the U.S.S.R. might abandon Yugoslav claims in Trieste as well as in Austria—a move which would facilitate a revision of the peace treaty in Italy's favor as urged by the Western powers—it took steps to tighten its control in the Yugoslav-occupied section of the Free Territory by introducing the Yugoslav currency.[24] To maintain the initiative in the political warfare with the Cominform states, it redoubled the violence of its diplomatic protests—subjects for which were never lacking in the turbulent world behind the Iron Curtain—and attuned its propaganda to catch the ear of potential Titoists in other Communist parties. To help offset the Cominform economic boycott, it applied for a loan from the International Bank for Reconstruction and Development. Finally, to repay the insults of the "Free Greek" radio and conserve its energies for the coming struggle, it discontinued its support of the Greek guerrillas and ordered the closing of the Greek-Yugoslav frontier.

These actions were a logical projection of tendencies that had been inherent in Yugoslavia's situation ever since the quarrel with Moscow became public. They certainly did not mean that the Yugoslav leaders were throwing themselves into the arms of the West. For Tito, bad relations with the East by no means implied good relations with the opposing camp. In the speech at Pola on July 10 in which he announced the closing of the Greek frontier, he flung the usual defiance at East and West alike, at Greek "monarcho-fascists" as well as the deluded leaders of Greece's "national liberation struggle." Withdrawal from Greece, he implied, was no concession to the West but was dictated by Yugoslav interests pure and simple. Touching on the effects of the satellite economic boycott, he repeated what he had said more than once before: "If they don't want our goods, we will sell them where we can, since we cannot allow our workers to suffer from their decisions. . . . With the West we have and shall establish economic relations *without*

[24] This move, ostensibly prompted by alleged treaty violations in the Anglo-American zone of Trieste, was protested by the U.S. and U.K. on July 14 (*Department of State Bulletin*, XXI, July 25, 1949, 113-114). On the background of the Trieste problem cf. *The United States in World Affairs, 1948–1949*, 46, 443-444.

making any political concession, and everyone is now aware of this. . . . It is true that we are asking and will accept a loan, if they want to give it to us, because this loan is necessary to us and will also be profitable to the lender. . . . If they want to give us the loan on these conditions, good; if not, we'll get along without it." [25]

Western statesmen could hardly be in much doubt that the former Partisan leader meant what he said. He and his associates were conditioned neither by temperament nor by past experience to desire accommodation with the capitalist West. The sense of national and personal independence which had eventually brought them into conflict with the Bolshevik machine would be doubly alert in any relations with governments whose ideologies and practices were the opposite of their own. In discovering the hollowness of the Stalinist system, Tito had not ceased to believe that perfidy and greed ruled the camp of "Western imperialism." Even a limited, temporary arrangement with the West would involve a weakening of his ideological position at home and abroad.

The Western nations, for their part, had just as little reason to think of Tito's Yugoslavia in terms of congenial friendship. Yugoslavia was and remained a totalitarian Communist dictatorship, a police state which had shown no respect for private economic rights or international decencies and lived by the same discriminatory, repressive practices as the neighboring regimes. A long series of international incidents, from 1944 onward, had revealed Tito's aggressive foreign policy as the greatest single obstacle to pacification in southeastern Europe. There was little reason to suppose that he had abandoned any of the objectives—Trieste, Southern Carinthia, Greek Macedonia, perhaps control of Albania and even an ultimate hegemony over the entire Balkan area—which had eventually embroiled him with all of the seven governments whose frontiers bordered on Yugoslavia. Yugoslav territorial ambitions seemed less dangerous now that they no longer had the back-

[25] *Relazioni internazionali,* XIII, July 23, 1949, 469 (emphasis supplied).

ing of the U.S.S.R., but they were still capable of generating instability and unrest throughout the Balkans and beyond.

Notwithstanding these cautionary factors, the Western capitals could not underrate the significance of Tito's revolt as a breach in the Soviet system and a new factor in the world power balance. More than a year after the Cominform had called for his overthrow, Tito was still holding out, to all appearances stronger than ever. From the standpoint of the cold war with Russia, this situation had great advantages. Strategically, Yugoslavia's revolt breached the Eastern European fortress along the broad Adriatic front, isolated Albania, and relieved the Communist encirclement of Austria and Greece. Economically, it deprived the Eastern bloc of Yugoslav raw materials and foodstuffs which it had been absorbing at the rate of $100 million a year.[26] Politically, it demonstrated to the whole world that Stalinist control could be successfully challenged. Despite the Chinese Mao Tse-tung's present professions of Stalinist orthodoxy,[27] it might yet provide a precedent for Communist parties in the Far East. Meanwhile, its magnetic influence on Communists and fellow-travelers everywhere undeniably lessened the effectiveness of the world Communist movement. How seriously the Kremlin viewed the challenge could be gauged from the furious diplomatic tirades it was exchanging with Belgrade, culminating on August 11 in the declaration that "the Soviet Government does not consider the present Government of Yugoslavia as a friend and ally, but as an adversary and an enemy of the Soviet Union."

In a global cold war, such advantages were not to be lightly thrown away. The Western powers had no alternative solution for Yugoslavia: the only alternative to rule by Tito was rule by Stalin. In other areas—Germany and Japan, for example—they had not been too hesitant about subordinating other objectives to the exigencies of the East-West struggle. Why should they refuse to help Tito, if by so doing they could perpetuate the strife in the Soviet world? Tito obviously was in severe

[26] U.N. Economic Commission for Europe, *op. cit.*, 146.
[27] Above, pp. 53-54.

economic straits, and made no secret about needing loans and imports of capital goods to carry out his five-year economic development plan. Expansion of world trade, and loans that promised to be economically sound, were perfectly consistent with Washington's economic philosophy. The British were already negotiating a long-term trade and financial agreement with Yugoslavia which was to include an advance of sterling credits. Economic aid to Yugoslavia might look like an opportunistic gamble, but the material cost need not be great and the political returns might be considerable. Even though Tito refused to make political "concessions," economic ties would hardly make him any more difficult to deal with than he was already. As yet it was not certain where he would draw the line between a political "concession" and a legitimate accommodation to a business associate.

These ideas, taking shape in Washington for many months, had already found reflection in a gradual growth of U.S.-Yugoslav trade, at a time when U.S. trade with the other Eastern states was rapidly declining.[28] Export licensing requirements were interpreted more leniently in the case of Yugoslavia than in that of its Cominform neighbors, but as yet there had been no single transaction big enough to signal the inauguration of a new policy. The National Military Establishment, which had a voice in the administration of export controls, was skeptical of a theory that set hypothetical political gains ahead of tangible security safeguards.

Nevertheless, on August 17 it was announced in Washington that an export license had been promised for Yugoslavia that definitely fell within the "war-potential" class; it covered equipment for a $3 million steel-finishing mill, to be delivered within 12 months, subject to a final review before the machinery was actually exported. Simultaneously, activity was intensified on the loan front. As experts from the World Bank began to survey the ground in Belgrade, the U.S. Export-Import Bank revealed that it was seriously considering Yugoslav's application for a $25 million loan to purchase equipment for renovat-

[28] Cf. the figures on p. 241, note 5, above.

ing its obsolete mining industry. Reduced to a total of $20 million ($12 million of which was earmarked for mining equipment), the loan was formally authorized on September 8. Aside from furthering Yugoslavia's economic rehabilitation, the Bank commented, the new equipment would provide an important source of nonferrous metals needed by the United States and other countries. More striking was the demonstration that the United States had definitely embarked—with scarcely a whisper of public objection—on a policy of giving aid and comfort to Belgrade's heretic Communists. In doing so it had also opened a new front in the cold war between the Soviet Union and the West.

The ensuing contest over Yugoslavia resembled the battle for Germany in its intensity, but differed in the tactical arrangements of the main contenders. In Germany each protagonist had its local regime which it tried to exalt at the expense of a local competitor. In Yugoslavia there was only one regime; the Russians had not even managed to create a plausible government-in-exile that could be pitted against the men in Belgrade. Accordingly, the full force of Soviet-Cominform attention was brought to bear on the Tito government itself. The contest took the form of a desperate effort by the Soviet Union to tear down a government which the United States, with some support from Britain, was determined to uphold. The United States did not, indeed, feel itself committed to the Tito regime in the same way that it felt committed to the Bonn government in Germany. While prepared to capitalize on the situation in every way possible, Washington was well content to leave the initiative to Belgrade in what it still regarded as essentially a Communist family quarrel.

Throughout the closing months of 1949 the strife raged in two main theaters—in Eastern Europe, and in the corridors of the United Nations at Lake Success. The sequence of intricately related moves became too rapid and complex for any chronological narration; to make the picture intelligible requires a separate review of Cominform and Yugoslav-Western measures, even when the two were interdependent and mutually re-

taliatory in character. Even such an account must be abridged and simplified because of the sheer multiplicity of separate events in what rapidly developed into one of the most involved political struggles in history.

As summer waned, the Cominform states redoubled their war of nerves against Yugoslavia and devised new forms of pressure. Communist circles threatened to establish a new, "legitimate" Yugoslav Communist party and openly discussed the advisability of sponsoring guerrilla warfare against the "Tito clique." The September trial of Laszlo Rajk and associates by a Hungarian people's court, surpassing previous Balkan *causes célèbres* in its tragic absurdity, was blatantly publicized as the beginning of the end for Tito's Yugoslavia. Rajk's "confession" accomplished the almost incredible feat of linking Tito and his collaborators with U.S. secret agents, former U.S. Minister Chapin, and Cardinal Mindszenty—who were represented as joint organizers of a plot dating back several years to overthrow the Hungarian "people's democracy" and spread confusion and Titoism throughout the Balkans.

These extraordinary "revelations" were the signal for a new phase in the attempt to isolate Yugoslavia diplomatically. The U.S.S.R. denounced its treaty of friendship and alliance with Yugoslavia on September 28. The satellite governments followed suit and indulged in a wholesale expulsion of Yugoslav diplomats. When the Danube Commission established at Belgrade the year before[29] met in November, Yugoslavia found itself in a minority of one, wholly without influence on the decisions. The Cominform, meeting at the end of November, renewed its summons to the international Communist movement to give "utmost assistance" to those Yugoslavs who allegedly were fighting to return their country to the camp of democracy and socialism.

To propaganda and revolutionary incitement was added the

[29] Cf. *The United States in World Affairs, 1948–1949,* 131-132. On November 15 the U.S., U.K., and France formally reminded the signatories of the Danubian Convention (signed at Belgrade on August 18, 1948) that they did not recognize either the convention or the commission set up under its authority. *Department of State Bulletin,* XXI, November 28, 1949, 832.

threat of direct military action. Rumors multiplied of the massing of Soviet mechanized forces near the Yugoslav frontier in Hungary. The collapse of guerrilla resistance in Greece [30] became a pretext for truculent speeches in Albania and Bulgaria that clearly implied a threat to Yugoslavia's exposed Macedonian salient. Border incidents with the other "people's democracies" grew more numerous, and more serious; Yugoslavia claimed 219 frontier clashes and 69 incursions by foreign aircraft in the 14 months following the Cominform denunciation.[31] Neutral capitals reported that the U.S.S.R. was making "confidential" inquiries about what the United States would do if Yugoslavia were to be militarily attacked. Troop movements were so contrived as to give the impression that open fighting would begin in the spring if not sooner.

This type of psychological warfare was no mystery to the Belgrade leaders, who knew their antagonists' vulnerable spots and repaid blow for blow. All restraint was now cast off as they taunted their attackers' subservience to Moscow and lifted the veil on sundry unsavory transactions of recent Balkan history. They, too, found means to embarrass former allies, took the initiative in denouncing the Yugoslav-Albanian friendship pact, and lodged a formal complaint with the Big Three against Hungary's nonfulfillment of its reparation obligations. That they were not unconscious of real dangers emerged clearly from an address by Tito at a banquet on October 3 to mark the conclusion of Yugoslavia's autumn maneuvers. In a resolute restatement of Partisan ideals, Tito frankly acknowledged that Yugoslavia faced a danger of war, but once again repudiated any hint of a surrender of principles. "It is better to die honestly in battle, fighting for justice and truth, than to allow yourselves to be trampled upon, than to bend your necks like slaves and see the great principles of Marxism and Leninism being destroyed without resistance," he said.[32]

[30] Cf. below, p. 266.
[31] Statement of Edvard Kardelj to the U.N. General Assembly, September 26, 1949.
[32] *New York Times*, October 4, 1949.

In the same speech Tito explained why he had decided to utilize the last and most formidable weapon in Yugoslavia's arsenal—not, he emphasized, "because of Western reactionaries, for they are no better," but "because it was the only right thing to do." This was the decision to cut loose from the Soviet Union and steer an independent course in the United Nations, thus making a bid for international support of Yugoslav resistance to the U.S.S.R. No longer would Yugoslavia be bound by the conventions of the six-nation Eastern bloc. "Where the Soviet Union is right, we will go along with it. If it is not in the right and if its stand is a hypocritical one, we will call it by its right name."

On Long Island, where the Fourth Regular Session of the General Assembly had convened on September 20, Vice Premier Edvard Kardelj and the Yugoslav delegation were already putting this principle into practice. By their voting in committees and in plenary sessions they allowed the whole world to perceive their independence of both East and West. They went further. In Kardelj's opening speech of September 26 he contrasted the Soviet Union's peaceful professions with the "unheard-of" campaign of threats, slanders, and pressures by which it was trying to make Yugoslavia yield to "foreign hegemonistic tendencies." By their action on other issues before the Assembly, the Yugoslav delegates kept the attention of 58 governments focused on the explosive Balkan situation.[33] Finally, by announcing their candidacy for a seat on the 11-nation Security Council—something Vyshinsky declared the U.S.S.R. positively

[33] One of the main Yugoslav attacks was delivered in the Assembly's Legal Committee in discussion of the draft Declaration on the Rights and Duties of States, to which Yugoslavia sought to attach a ban on actions tending to "foment, organize, encourage or assist civil wars and disturbances or acts of terrorism in other states." The declaration did not come before the full Assembly but was referred to member governments for study. Yugoslavia also hotly criticized certain aspects of Soviet policy in the Economic Committee discussion on underdeveloped countries and in the Social Committee debate on refugees and stateless persons. Among the key resolutions adopted by the Assembly, Yugoslavia voted with the Soviet bloc on Korea, Greece, and U.N. membership, but abstained on the question of human rights in Bulgaria, Hungary, and Rumania and on the main political resolution on the "Essentials of Peace." For details on the human rights resolution, see below, pp. 271-272; on other questions, chapters IX and X, below.

could not accept—they boldly challenged an unwritten law of the United Nations and, incidentally, subjected the new pro-Yugoslav policy of the Western governments to a critical test.

On this issue, whose implications extended far beyond the Balkans, the U.S. and U.K. temporarily parted company. Acheson and Bevin, conferring in mid-September, had confirmed a previous understanding that Yugoslavia's independent stand should be encouraged within reasonable limits. This formula, in the minds of the British delegation, did not include the breaking of the well-established U.N. precedent whereby the preferences of the Soviet Union were given decisive weight in the selection of Eastern European members of the Security Council, just as the British Commonwealth was accustomed to name its own Security Council representative. The State Department, on the contrary, reasoned that Yugoslavia fulfilled the qualifications for Security Council membership and would play a more independent role than Czechoslovakia, the Soviet candidate. There was a possibility, moreover, that failure to support Yugoslavia would damage Tito's prestige and perhaps fatally impair his ability to ride out the storm raging in the Balkans. On October 20 Yugoslavia's election was accomplished by a vote of 39 to 19, amid loud outcries from the Soviet delegate.

While the Assembly was in session, the United States continued its efforts to strengthen Yugoslavia economically. Export controls on civil aircraft and equipment and on aviation gasoline were relaxed for Yugoslavia's benefit, and negotiations were undertaken for a provisional reciprocal aviation agreement, signed on December 24, which would enable a U.S. airline to operate through Yugoslavia and assured facilities for a Yugoslav airline in the U.S. zones of Germany and Austria.[34] The United States lent its influence in support of other Yugoslav economic negotiations. Loans of limited size for specific purposes were authorized in October by the International Monetary Fund and the International Bank. In December, Yugoslavia signed a $60 million trade agreement with the West German

[34] *Department of State Bulletin*, XXII, January 9, 1950, 63-64.

government. After many delays, the five-year trade and compensation agreement with the United Kingdom, providing for a sterling credit in the amount of £8 million, was concluded on December 26. Next day Kardelj told the Belgrade parliament—prematurely, as it turned out—that the World Bank had approved in principle Yugoslavia's request for a capital equipment loan of $25 million.

Such gains would help to bolster the prestige of the Yugoslav Government and relieve somewhat the crushing burden of its military mobilization; but they would give no protection in case the Soviet and satellite troops that ringed Yugoslavia's frontiers were actually given marching orders. Against this contingency, too, the United States was ready to exert at least moral pressure. As successor to the retiring Ambassador, Cavendish W. Cannon, the President designated George V. Allen, an Assistant Secretary of State whose experience as Ambassador to Iran in 1946 had given him the reputation of a rock of support for nations threatened by Soviet aggression. On December 22 Allen emerged from a farewell call at the White House with a statement that amounted to the clearest of warnings to potential disturbers of the peace in southeastern Europe: "The President confirmed that the United States is unalterably opposed to aggression wherever it occurs or threatens to occur. Furthermore, the United States supports the principle of the sovereignty of independent nations. As regards Yugoslavia, we are just as opposed to aggression against that country as against any other, and just as favorable to the retention of Yugoslavia's sovereignty. . . ." [35]

By explicitly including Yugoslavia within the scope of its basic foreign policies, the United States had taken what looked like a long step toward political rapprochement. What steps, if any, the Yugoslav Government was prepared to take on its side remained uncertain. Kardelj, in an optimistic review of foreign relations on December 27, told the Yugoslav parliament that relations with the United States, Great Britain, and

[35] Allen's statement and Truman's endorsement in *New York Times,* December 23, 1949.

France had been "improved" but that there was "nothing in any of the agreements negotiated . . . that would influence the line of our present foreign policy." [36] That policy, which had included immediate recognition of the new Communist regime in China, did not appear to involve any retreat from Yugoslavia's own long-range goals; the most that Western observers could detect was a lessened emphasis on territorial expansion while the Yugoslav regime was fully engaged in fighting for its own life. Nor, in spite of some inconclusive signs of internal relaxation, did it seem likely that the character of the regime would be greatly modified. A parting allusion by Ambassador Cannon to the question of religious and political liberties in Yugoslavia evoked no enthusiasm. Archbishop Stepinac and many other political prisoners remained where they were. The main U.S. objective, however, had not been to reform the Tito regime but to keep open the rift in the Soviet bloc. As 1949 closed, the rift gaped more widely than ever before.

3. Retreat in Greece

Tito's revolt had profound repercussions on the three-year-old "war of national liberation" which Communist-led insurgents were waging against the Western-oriented national government of Greece. The Greek guerrillas' success in maintaining themselves in the field was largely due to the more or less open support of Albania, Yugoslavia, and Bulgaria, which furnished them with supplies and equipment, training camps, staging areas, hospital facilities, and an international frontier behind which they could retreat and regroup. Since 1948 other countries of the Soviet bloc, especially Rumania, had lent the guerrillas moral support and pecuniary aid and opened their gates to some of the Greek children—numbering close to 20,000 at the lowest estimate—whom the guerrillas had abducted from their homes to be brought up in the ways of "people's democracy."

The United Nations Special Committee on the Balkans

[36] *Ibid.*, December 28, 1949.

(UNSCOB), set up by the General Assembly in October 1947 to keep watch on Greece's northern frontiers and assist in re-establishing friendly relations between Greece and its northern neighbors,[37] observed and reported on this illegal traffic—as well as it could do without the cooperation of the Soviet bloc—but was powerless to halt it or to make progress toward effecting a return to peaceful conditions. Supported from abroad by all means short of armed intervention, aided by a widespread Communist underground within Greece, and fed by a steady stream of more or less unwilling Greek recruits, the guerrillas maintained a constant fighting strength of 20,000 or more. Guerrilla bands terrorized the Greek countryside, burned and plundered farms and villages, disrupted communications, uprooted a large part of the Greek population, and did their best to perpetuate the economic and social chaos which had beset their country since its liberation from the Axis in 1944.

At the end of 1948 the American-trained Greek National Army embarked on an all-out effort to put an end to guerrilla activity throughout the country. This campaign—led by Marshal Alexander Papagos, the hero of Greek resistance to the Italians in 1940—represented the tardy fruition of the military aid the United States had been pouring into Greece since 1947 in the form of supplies and equipment, training assistance, and tactical advice. Equipped with a new offensive doctrine and animated by a new spirit of confidence, the Greek forces turned first to clearing the Peloponnesus area of guerrilla concentrations in order to bring their full weight to bear in the main theater of northern Greece.

The success of the Greek campaign was enhanced by the confusion resulting from Yugoslavia's break with its Communist neighbors. Although Yugoslav aid to the guerrillas continued, signs of political disorganization in the guerrilla movement had begun to appear by early spring. A purge of the insurgent "government" and a revival of agitation on the Macedonian issue suggested that the weight of guerrilla pressure might be turned away from Greece and against Yugoslavia itself. By the begin-

[37] *The United States in World Affairs, 1948–1949,* 419-426.

ning of May the outlook for the guerrillas had become so unpromising that the rebel "minister of justice," Miltiades Porphyrogennis, offered to fly to United Nations headquarters for the purpose of entering into peace negotiations with representatives of the Athens government.

This offer, presumably inspired by the U.S.S.R., was promptly taken up by Andrei Gromyko, who was in New York for the General Assembly session. On May 4, the very day of the four-power agreement on Berlin, Gromyko raised the question informally with Hector McNeil of Great Britain and Dean Rusk of the United States. The time had come, he suggested, for the three governments to join in bringing about a cessation of hostilities, a general amnesty, and supervised elections in Greece. Provided foreign military aid to the Greek Government was discontinued and foreign troops were withdrawn from the country, the U.S.S.R. would be prepared to cooperate in supervising the elections and establishing a control of Greece's northern frontier.

Whatever lay behind this unexpected Soviet proposal—concern over the deteriorating position of the guerrillas, desire to clear the decks for action against Yugoslavia, or even some obscure idea of a new departure in East-West relations—it was unacceptable to the Western governments. The tide of war in Greece was turning, and they saw no reason to embark on a clandestine negotiation which would in effect reopen the door to Soviet influence in Greece. Gromyko was reminded that the main issue in the Greek conflict—assistance to the rebels from Albania, Bulgaria, and Yugoslavia—was already before the United Nations, and that internal questions such as an amnesty and elections were regarded as "matters for determination by the Greek Government." [38]

Since the General Assembly's efforts to promote a conciliatory solution of the Greek problem produced no tangible result, Greece's bloody and exhausting war dragged on through

[38] TASS communiqué, *Pravda,* May 20 (*Current Digest of the Soviet Press,* I, No. 21, June 21, 1949, 37-38); *Department of State Bulletin,* XX, May 29, 1949, 696-697.

the summer. The military situation, however, was changing rapidly. By June, a series of engagements in central Greece had helped reduce guerrilla strength to the lowest figure since October 1947. Meanwhile direct aid to the guerrillas across the Yugoslav frontier diminished, and the main guerrilla concentrations shifted to the Vitsi-Grammos area near the junction of the Greek, Albanian, and Yugoslav frontiers. In July, when the Yugoslavs washed their hands of the Greek Communist leadership and closed their Greek border, they split the guerrilla front and left the insurgents to depend mainly on what few supplies could be sent them via Albania.[39]

Pinned against the northern Greek frontier, relentlessly pounded by the Greek army and air force, and fearful of the vengeance of the Greek Government, the bulk of the guerrillas saw their only hope of survival in escape across the border. During August and September they escaped by the thousands —possibly 8,000 to Albania, 3,000 or 4,000 to Bulgaria, and 1,000 to internment in Yugoslavia. On similar occasions in the past they had been able to rest, regroup, and recross the frontier to renew the struggle. This time the satellite governments realized that the game was up. Only open Soviet intervention would enable them to continue the war with any hope of success.

Not only was isolated Albania in no position to reverse the tide; it faced a real danger of seeing its soil invaded by Greek Government troops in pursuit of the rebels. Greece's Minister of War publicly threatened on September 12 that if guerrilla attacks were renewed, the Greek army would proceed to "neutralize the source from which the guerrillas invaded Greek territory." In the tense atmosphere that weighed upon southeastern Europe, it was easy to imagine that the U.S.S.R. would welcome such an act as a pretext for moving into the Balkans in force and perhaps dealing with the Tito menace and Greek

[39] *Seventh Report to Congress on Assistance to Greece and Turkey* (Department of State Publication 3594, Washington, 1949), 11; *Report of the United Nations Special Committee on the Balkans,* August 2, 1949 (U.N. General Assembly, *Official Records: Fourth Session,* Supplement No. 8), *passim;* U.N. Document A/981, September 19, 1949.

"monarcho-fascism" in a single operation. With some urgency the American and British embassies in Athens counseled the Greek Government to avoid provocative acts and concentrate on healing the wounds of civil war at home.

The Greek conflict ended as raggedly as it had begun. In a secret hideout, perhaps somewhere in Albania, the central committee of the Greek Communist party met on October 9 to recognize the reality of defeat and decided on what it called a "temporary withdrawal." [40] Only a thousand or two guerrillas were left in Greece to wage a hopeless struggle for survival. On October 16 the "Free Greek" radio announced that military operations had been suspended—"temporarily"—to permit a peaceful solution of the conflict and save Greece from complete destruction. Opinions differed as to whether the war might not still be renewed, but the indications were that the shattered guerrilla remnants were being dispersed far behind the battle lines in Czechoslovakia, Bulgaria, and Rumania.[41] Secretary Acheson let the press know on October 19 that he considered the war practically over and was already thinking in terms of a cut in American aid to Greece. U.S. Ambassador Henry F. Grady advised the Greek Government to begin reducing its army to a size commensurate with its straitened budget. Early withdrawal of the 3,000 British troops still in the country was officially announced at the end of October.

While the last guerrilla remnants were giving way in Greece, the U.N. General Assembly at Lake Success was considering the report of the Special Committee on the Balkans and the possibility of seizing the opportunity for a final settlement of the differences between Greece and its northern neighbors. The hopes of the more optimistic were doomed to disappointment. The session produced the usual amount of recrimination between Eastern and Western spokesmen and pointed to the discouraging conclusion that the Greek issue was still generating as much heat as ever.

[40] "Free Greek" radio broadcast, November 4, 1949.
[41] *New York Times,* October 27, 1949; *Department of State Bulletin,* XXI, October 31, 1949, 658.

Four aspects of the Greek problem principally concerned the Assembly. First was a continuation of the informal conciliation efforts that had been undertaken at the Assembly's Paris session in 1948 and continued without definite result during the spring session of 1949.[42] A special conciliation group headed by General Carlos P. Romulo, the Assembly's president, held many consultations with representatives of the four Balkan governments and the great powers with the aim of finding a basis for the resumption of friendly relations and a return to normal conditions on the frontiers. As before, the talks failed to produce any positive agreement; but Greek-Yugoslav tension slackened somewhat, and General Romulo reported that in general the situation had been clarified and some of the points of difference narrowed.[43]

Closely intertwined with the conciliation effort was a series of attempts by the Soviet bloc to get the Assembly to condemn the internal policies of the Greek Government, particularly the death sentences passed by Greek military courts on a number of persons implicated in the revolt. Although the Assembly declined to take any stand that could be construed as interference in Greek internal affairs, its obvious interest in promoting a better atmosphere was an additional reason for the Greek Government to avoid a vengeful policy. Greece had enacted a clemency law before the argument began, and General Romulo was able to announce on the last day of the session that no executions had been carried out for some time.

The debate on the main issue, foreign intervention in Greece, followed predictable lines. The Western powers as usual emphasized the interference of the Soviet bloc states in Greece. The U.S.S.R., pursuing the theme of Gromyko's "peace offer" in May, demanded dissolution of UNSCOB, withdrawal of foreign (i.e., Anglo-American) troops and military assistance from Greece, a general amnesty, new elections—in which insurgent representatives would participate—and establishment of a joint

[42] *The United States in World Affairs, 1948–1949,* 425-426; U.N. General Assembly, *Official Records: Fourth Session,* Supplement No. 8, Annex 5.
[43] U.N. Documents A/C.1/503, October 18, and A/C.1/506, October 22, 1949.

frontier commission with the U.S.S.R. among its members. The experience of recent years made most delegates skeptical of proposals of this nature. The Soviet plan was rejected in favor of a joint resolution introduced by the United States, Great Britain, Australia, and China and adopted on November 18 by a majority of 50 to 6. By this resolution (No. 288, part A) the Assembly again condemned the assistance given the Greek guerrillas by Greece's northern neighbors, and called on the latter to desist from further assistance, cooperate with Greece in the peaceful settlement of their mutual differences, and lend their cooperation to UNSCOB, which was continued in being and encouraged to persevere in its conciliation efforts.[44] Finally, the Assembly adopted unanimously a resolution (No. 288, part B) reaffirming its interest in the return of all abducted Greek children who wished to go back to Greece or whose families had requested their return.

Cessation of hostilities in Greece did not terminate the responsibilities of the United States toward a country in whose destinies it had become deeply involved. Still to be dealt with were both the effects of the devastating civil war and the internal conditions which had given a measure of plausibility to the guerrillas' claim that they were fighting against foreign-supported reaction and oppression. Economically, the billion-odd dollars that the United States had channeled to Greece since liberation through UNRRA, the Greek-Turkish aid program, and ERP had staved off complete collapse, but the nation was still far behind in the race toward economic recovery. No country had suffered a more disastrous postwar inflation, and the almost desperate plight of wage earners and white-collar workers reflected dangerous maladjustments in the economy. Unemployment, affecting over 7 percent of the labor force, remained a serious problem. Though the greater part of the million refugees from guerrilla action had been resettled in the course of the year, it would be a long time before Greek life resumed a normal rhythm. American officials

[44] The resolution also called on all members of the U.N. to impose an arms embargo on Albania and Bulgaria until it was officially determined that these states had ceased giving unlawful assistance to the guerrillas.

who insisted that ERP must come to an end in 1952 frankly recognized that economic aid to Greece would be indispensable for some time longer.

Politically the restoration of tolerable peacetime conditions might be even more difficult. Postwar events had embittered instead of healing the deep divisions among the Greek people. Factionalism, the old curse of Greek politics, was accentuated by the violent mutual hatreds of Left and Right, and the outlawed Communist party and its sympathizers would in all likelihood remain for some time to come as a large unassimilable element in the Greek body politic. Suspension of military operations, in the minds of the Greek Communist leaders, was only the prelude to a new phase of the struggle. The new plan of the Communist party was "to transfer the center of gravity of its activity to the organization and leadership of the political and economic struggles of all strata of the working people—above all the working class and the [white-collar] employees, the displaced peasants, the hundreds of thousands of wounded, of war victims, and of women and youth." [45]

Meanwhile the right-center coalition that had steered Greece unsteadily through the perils of the civil war was tending to disintegrate as the military pressure relaxed. The most respected of Greek politicians, the octogenarian Liberal Themistocles Sophoulis, died in June and his government was replaced by a new coalition regime under a nonparty leader, Alexander Diomedes —a solution which most Athens political circles (including the U.S. Embassy) found preferable to the alternative of a one-party government by the unpopular Constantine Tsaldaris and his extreme rightist Populist party. The Diomedes government in turn resigned at the beginning of 1950 as the result of disagreements and maneuvers connected with the new national elections which all recognized to be necessary, and which were eventually set for March 5. Whatever their outcome—and the exclusion of the Communists from the ballot ensured that the results would not go unchallenged—elections would be only the

[45] "Free Greek" radio broadcast, November 4, 1949.

first step toward political stabilization. The defeat of the guerrillas had ended any immediate threat of Greece's falling out of the American into the Soviet orbit. For some time to come, however, that country was likely to be a source of weakness rather than strength for the West.

4. Continued War Against the West

Elsewhere the struggle between Eastern Europe's Communists and the West went on with undiminished violence. Checked in Greece and in Yugoslavia, the Soviet bloc states redoubled their assaults on the Western powers, while the latter vigorously pursued their indictment of Communist practices.

Having failed to secure action under the peace treaties on the deprivations of human rights and fundamental freedoms in Bulgaria, Hungary, and Rumania, the United States carried the issue before the General Assembly when it convened in September.[46] With the support of Canada and Bolivia, a resolution was introduced asking the International Court of Justice for an advisory opinion on the legal questions involved. Most delegations favored this procedure as being less likely to cause unwelcome complications than an alternative proposal, submitted by Australia, to appoint a special United Nations committee to make a direct investigation of the facts. That Bulgaria, Hungary, and Rumania, which refused to participate in the Assembly's debate, would also withhold their cooperation from any U.N. investigation on their territory seemed a foregone conclusion. After prolonged and bitter debate, in which the Soviet bloc spokesmen attacked alleged human rights violations in the United States as zealously as they extolled the virtues of the Balkan people's democracies, the Western resolution (No. 294) was adopted on October 22 by 47 votes to 5, Yugoslavia being among the abstainers. In voting the resolution, the Assembly voiced its "con-

[46] On August 1 the U.S. and U.K. requested the three Balkan governments to join in the appointment of three-man commissions to consider the disputes as provided in the peace treaties. When these requests were rejected the entire matter was laid before the United Nations.

tinuing interest . . . and . . . increased concern" at the accusations made against the three Balkan states, and retained the item on its agenda "with a view to ensuring that the charges are appropriately examined and dealt with." [47]

In other fields of United Nations debate, notably in discussions of the admission of new members and of the practice of forced labor in Eastern Europe,[48] the United States found additional opportunities to mobilize the indignation of the non-Soviet world at the methods of "people's democracy." But there was little it could do in a practical sense to check the new wave of repressive acts by which the Communist rulers were venting their irritation against the West and striving to plug the gaps in their control system. The year's end found both foreign and domestic enemies under furious attack throughout the Soviet bloc.

The long-awaited purge of Bulgaria's Communist party, which had been gathering momentum ever since the death of Premier Georgi Dimitrov in July, reached its apogee in December in the sensational trial of Traicho Kostov and 10 other leading Communists on charges of treason, sabotage, and plotting with official representatives of the United States, Great Britain, and Tito's Yugoslavia. Similar in its political purpose to the Rajk trial in Hungary, the Kostov affair took an unexpected turn when the principal defendant repudiated his "confession" in open court—a bold step which, however, did not save him from the gallows. For the United States the most significant feature of the trial was the official claim that Kostov had been in treasonable contact with U.S. Minister Donald R. Heath—an impu-

[47] The International Court was asked to determine (1) whether "disputes" existed within the meaning of the peace treaties; (2) if so, whether the accused governments were obligated to carry out the enforcement provisions of the treaties by naming their representatives to the three-man treaty commissions; (3) whether the Secretary-General of the United Nations could appoint the third member of a treaty commission if one of the parties to the dispute failed to appoint its member; and (4) whether such a treaty commission consisting of only two members would be competent to make a definite and binding decision. An affirmative opinion on the first two questions was rendered by the Court on March 30, 1950 by an 11–3 vote.

[48] Cf. below, pp. 289, 325-326.

dence which played a large part in the U.S. decision to suspend relations with Bulgaria in February 1950.[49]

Simultaneously, Hungary reinvigorated its campaign against the West by arresting an American and a British businessman, along with local associates, and preferring the usual charges of espionage, sabotage, and similar crimes.[50] The Western governments retaliated—the United States, by forbidding American travel to Hungary and closing the two Hungarian consulates in this country; Great Britain, by breaking off negotiations for renewal of the expiring British-Hungarian trade agreement. Both governments, however, found themselves tragically unable to afford their nationals even the minimum of diplomatic protection. If the Hungarian action was intended to demonstrate their impotence it was a complete success.

In Czechoslovakia, meanwhile, the government took time from its forcible campaign against the Catholic Church and the bourgeoisie to try various of its nationals on charges of treasonable activity and spying for a "foreign power"; it also arrested and expelled a number of Westerners, including members of the American and French diplomatic missions.[51] Poland, amid mutterings of an impending purge and a looming crisis in church-state relations, began systematically ousting the representatives of U.N. and other international organizations from its territory and involved itself in a bitter quarrel with France by arresting French consular personnel to serve as the main figures in its most sensational spy trial to date.

[49] *Department of State Bulletin,* XXI, December 12, 1949, 911; December 26, 1949, 981; XXII, January 30, 1950, 159; March 6, 1950, 351-356, 381.

[50] Robert A. Vogeler (American) and Edgar Sanders (British), officials of the International Telephone and Telegraph Company and the Standard Electric Company respectively, were arrested in November and brought to trial in February 1950, made the standard "confessions," and were sentenced on February 21 to prison terms of 15 and 13 years respectively. Meanwhile Israel Jacobson, head of the Hungarian office of the American Joint Distribution Committee, had been arrested on December 15 but was released without explanation and expelled from the country on December 27. For the record of official U.S. protests and other action in these cases cf. *ibid.,* XXII, January 2, 1950, 21-22; January 16, 1950, 95-96; February 27, 1950, 323-326; March 6, 1950, 378; March 13, 1950, 398.

[51] For American comment and retaliatory action cf. *ibid.,* XXI, November 7, 1949, 710; November 21, 1949, 790.

Looked at broadly, these and similar manifestations could be viewed as part of a frantic, Soviet-inspired attempt to extirpate all possible sources of resistance in what remained of the Soviet bloc and thus to compensate for the setbacks Soviet policy had sustained in Yugoslavia and Greece. The Kremlin, however, was not relying solely on the efforts of loyal eastern European Communists; in several areas it seemed bent on preserving or strengthening its direct control. Mention has already been made of the delaying tactics by which it was preventing the conclusion of a treaty with Austria and thus maintaining its right to keep troops in Hungary and Rumania. By November these tactics had again brought the Austrian treaty negotiations to a virtual standstill.

In the same month the U.S.S.R. moved to strengthen its grip on the largest of the satellite countries: Soviet Marshal Konstantin K. Rokossovsky was released from service in the Soviet army to become Defense Minister of Poland, with supreme control of the Polish armed forces. This move, which virtually completed the "sovietization" of Poland's defense establishment, was calculated to serve at least three purposes: to discourage the "national Communist" type of agitation associated with Wladyslaw Gomulka, to deter the Poles from voicing too openly their concern at the fostering of German nationalism in the Soviet-sponsored East German Republic, and to strengthen the Eastern barriers against German expansion should a renationalized Germany really get out of hand. While thus fortifying its position in the heart of Europe, the U.S.S.R. did not forget the isolated southwestern extremity of the Soviet bloc in Albania, but did what it could to bolster the crumbling regime of Enver Hoxha and exploit the strategic potentialities of Albania's location at the entrance of the Adriatic.

Amid this far-flung struggle of great powers and conflicting ideologies, the peoples of Eastern Europe were in some danger of being overlooked. Throughout the area, in Yugoslavia no less than in the "loyal" Communist states, the popular voice was either drowned by propaganda or stilled by terror. Whether or not the "people's democratic" regimes were effecting any improvement in the standard of material welfare, whether or not

some among these millions were finding satisfaction in the positive tasks of "socialist construction," no one who dispassionately regarded the totality of their lot could escape a feeling of dismay at the waste and perversion of human potentialities.

The United States, by its forthright challenge of the practices of "people's democracy," might have given Eastern Europe's peoples some needed moral encouragement but had certainly not alleviated their immediate condition. The positive achievements of U.S. policy in Eastern Europe had to be sought elsewhere. One accomplishment that could not be gainsaid was the ending of the civil war in Greece, which gave that nation an opportunity to set its house in order and demonstrate its ability to face the challenge of independence in the modern world. A second was the perpetuation of Tito's revolt. This achievement promised no early triumph for Western principles of human freedom. It heightened the fury of the cold war with Russia, without necessarily conferring any immediate advantage on the West. But it also gave to every people that was feeling the weight of Soviet Communism the right to believe that the final chapter of its history was still unwritten.

CHAPTER NINE

TESTING TIME FOR THE UNITED NATIONS

THE TENSIONS and conflicts that have claimed so large a place in the preceding chapters would have been fewer and less acute if the United Nations organization had been working as its founders intended. Four years after San Francisco, only the most determined optimist could have avoided discouragement over the gap between the principles of the Charter and the performance of the 59 nations that had subscribed to them. The pledge "to practice tolerance and live together in peace with one another as good neighbors" rang with a special irony in a world so torn by national, racial, and social strife.

Many members of the United Nations bore a share of responsibility for this condition; yet the blame could not fairly be placed at the door of the world organization. The U.N., whose operation presupposed a considerable measure of harmony among its members, was itself convulsed by the same tensions that prevailed in the world outside. The East-West struggle, which tended increasingly to absorb into itself all lesser conflicts, dominated the life of the organization in all its parts and barred it from dealing effectively with those situations that most directly threatened international peace and security. "Economic and social advancement of all peoples" was made more difficult by the moral and philosophical cleavage between the Soviet and Western worlds, whose concepts of human and social values were not merely different but mutually exclusive. Even the membership of the world organization was artificially restricted by the inability of East and West to agree respecting the qualifications of 14 additional candidate states with an aggregate population of at least 125 million persons.

Despite these handicaps the United Nations had, in many

ways, grown in stature and authority with the years. It had acquired an undeniable influence that extended even to the central issues of the cold war. As the only regular mechanism for the expression of universal interests as well as national interests—of world opinion as well as national opinions—it exacted a certain deference from all of the great powers. Both sides tried to use the U.N. machinery for their own ends, but they also showed a keen sensitivity to the moral force embodied in the U.N. as such. This force, if not always clearly defined or realistically directed, was at any rate invariably exerted on the side of peace. The mere existence of the U.N. had a tendency to moderate the heat of conflict. Issues that in former times could have led straight to war were now referred to the United Nations as a matter of course. The U.N. could justly claim much of the credit for the solution of the two most dangerous crises of the postwar years—directly in the Azerbaijan case of 1946, indirectly in the Berlin dispute of 1948–1949.[1]

Outside the area of the cold war the United Nations could also point to a tardy but brilliant success in the mediation of the Palestine conflict early in 1949, while an equal distinction was to crown its assistance in liquidating the Netherlands-Indonesian dispute later in the year.[2] These, however, were in the nature of happy exceptions, in which the absence of a major and direct conflict of interest among the great powers had given more scope to the force of world opinion and the talents of U.N. negotiators. There were other matters unrelated to the cold war where the record was less gratifying. The dragging dispute between India and Pakistan over Kashmir, the continued tension between Israel and the Arab states, the play of conflicting interests in regard to the disposition of the former Italian colonies and the internationalization of Jerusalem, showed that the smaller nations could on occasion prove just as bellicose and stubborn as they accused the great powers of being.

Such quarrels might have been easier to adjust if the great

[1] *The United States in World Affairs, 1945–1947,* 85-90, 102-110; *1948–1949,* 452-464, 494-495; and above, pp. 35-36.

[2] On Palestine, cf. *The United States in World Affairs, 1948–1949,* 400-406; on Indonesia, below, pp. 443-445.

powers had set a more edifying example and had been able to agree on the means of implementing their basic responsibility for the maintenance of international peace and security. The deadlock besetting the various U.N. organs concerned with this central function—the Security Council, the Military Staff Committee, the Atomic Energy Commission, and the Commission for Conventional Armaments—issued directly from the reciprocal distrust and mutually opposed aims of the U.S.S.R. and the other great powers. The majority of U.N. members showed by their speeches and votes that they were in no doubt as to which of these powers were generally in the right, and which one was generally in the wrong. The source of the difficulty, it was recognized, lay in the exaggerated national egoism of the Soviet Government. But recognition of the evil was by no means the same thing as curing it.

In its origin the United Nations had been largely an American conception. Its underlying philosophy showed the influence of American traditions; its site was located within American territory; and the United States continued to support it both by declarations of policy and by monetary contributions which amounted to over one-third of the U.N. budget. "Unfaltering support" of the United Nations and related agencies, the first item in President Truman's four-point inaugural program, was no mere phrase but a fundamental premise of U.S. policy. In this attitude the United States was influenced both by a general belief in international cooperation and the rule of law and by a shrewd recognition that, in most instances, the preponderance of world opinion as embodied in the U.N. would naturally align itself on the side of this country. There was no reason to bribe or coerce other nations into what the Soviet representatives bitterly referred to as an "automatic" American or Anglo-American majority. Most of the countries outside the Soviet bloc, having at least some initial sympathy for the American position, tended almost automatically to follow the lead of a power from which they had little to fear and much to hope.

American officials had never had many illusions about what the U.N. could accomplish in the absence of agreement among

the great powers. The three most epochal steps in American postwar policy—the Greek-Turkish aid program, the Marshall Plan, and the North Atlantic Treaty—were taken outside the U.N. framework[3] because the U.N. was simply incapable of doing the job that had to be done. Schemes for converting the U.N. into a world federation were coldly regarded by the State Department for similar reasons. The best way to demolish the organization altogether, American officials reasoned, was to load it with responsibilities it could not carry. But within practical limits, the United States was doing what it could to build up the U.N. as a rallying ground for peoples everywhere who shared the same fundamental aims.

While the sincerity of American devotion to the United Nations was not open to doubt, questions were sometimes raised about the wisdom of U.S. tactics in the various U.N. organs. American representatives in the Security Council, the General Assembly, and the Economic and Social Council were less abusive but no less forceful than their Soviet antagonists, and had sometimes obliged the U.N. to commit itself on issues which other delegations would have preferred to leave dormant. Something of the spirit of the boxing arena had occasionally seemed to animate the U.S. delegation as it pressed for condemnatory votes whose only practical effect was to embitter the Soviet bloc governments. To a large extent this practice represented merely a repayment of Soviet tactics in kind, and the misgivings of other delegations often sprang from a reluctance to confront the real facts of international life. The U.N. could not be kept free of the tensions that affected all the great powers; but there was some truth in the argument that their introduction into the U.N. weakened the world organization without remedying the basic conditions that gave rise to them.

"The United Nations has not yet succeeded, nor has it failed," said Secretary-General Trygve Lie at the dedication of the U.N.'s permanent headquarters in New York on October 24, 1949. "It

[3] The provisions of the North Atlantic Treaty were, of course, formally subordinated to the overriding requirements of the U.N. Charter. Cf. *The United States in World Affairs, 1948–1949,* 530-531.

is an unfinished structure. . . . The United Nations will succeed if the peoples of the world, acting through their governments, insist upon unwavering support for the United Nations Charter, both in acts and in words, and upon using the machinery of the United Nations to its full capacity, not only part of the time, but all the time."

These words, spoken with the impartiality that became a distinguished international civil servant, fell in the midst of the Fourth Regular Session of the General Assembly, which met on Long Island from September 20 to December 10, 1949. Never before had the Assembly found itself so close to the heart of world problems and so weighted with responsibilities for the future of the U.N. and of humanity at large. Its transactions ranged over many fields, and the nature of its debate on colonial problems, on social issues, and on economic development programs showed that the cold war did not by any means exhaust the infinite diversity of international affairs. Dominating the minds of delegates and of the world audience, however, were the great questions of war and peace, given new urgency by the disclosure in the first days of the session that the Soviet Union had unlocked the secrets of atomic destruction. General Carlos P. Romulo of the Philippines, in accepting the presidency of the Assembly, noted the diminished danger of war since the Paris session had convened the year before and voiced the hope that this new session would earn for itself the title of the "Peace Assembly." This hope was unrealized; yet each day of the session pointed anew to the fact that peace was still mankind's chief desire. The vital question on which the session closed was the same that had hung over its opening: was this universal goal attainable by nations that disagreed so strenuously on the means of reaching it?

1. *New Phase of the East-West Struggle*

It was a foregone conclusion that the General Assembly session, as the first important meeting between East and West since the Paris Council of Foreign Ministers closed in June, would

mark a new epoch in the relations of the great powers. Much that had remained obscure and inconclusive at Paris was likely to be clarified as the Soviet delegation, headed by Foreign Minister Vyshinsky, revealed its stand on the specific issues before the Assembly. As summer waned, events in many fields had been gathering toward a climax. In the West, the North Atlantic Treaty partners had held their first formal meeting, and the Senate had at length passed the military assistance bill; Acheson, Bevin, and Schuman had met in Washington to concert their strategy for the months ahead. To the Eastward, ominous clouds were gathering over Germany, the Balkans, and China. At Peiping a "People's Consultative Conference" was on the point of proclaiming a new, Communist-dominated Chinese "people's republic" which might demand U.N. recognition before the session was over. In this surcharged atmosphere, President Truman's announcement of the atomic explosion in the U.S.S.R. was like the thunderclap that inaugurates a tempest.

The presidential statement coincided with the speech at Flushing Meadow in which Vyshinsky dispelled any possible illusions about the continued intensity of the cold war. Acheson and Schuman, who preceded Vyshinsky on the dais, had made typically firm but moderate statements, outlining their governments' positions on specific issues and carefully avoiding language that could be considered provocative. "Patience and hard work" was the keynote of Acheson's address on September 21. The world's problems could not be solved by sudden and dramatic gestures, he said, but "we must never cease our efforts to overcome them step by step." It was true that the actions of a "small group" that persisted in "policies threatening other members of the international community" had bred "a profound sense of insecurity . . . in large areas of the world." Nevertheless, Acheson urged, "let us proceed with appreciation of the limits of what we can expect to accomplish at this time, with confidence in the long-term values of patience, and with reliance upon the power of common sense in international affairs. The public interest of the world community demands that we get on with our business."

Not all of the delegates who preceded Vyshinsky maintained

a like sobriety of tone. T. F. Tsiang of China, whose role as delegate of the collapsing Nationalist government made him one of the most conspicuous figures of the session, seized the opportunity for an impassioned indictment of the Soviet Union as the author of all his country's woes. Nothing, he protested, had happened since the war in any part of the world more serious than what had occurred in China in the past year. Soviet Russia, the heir of Tsarist imperialism, had obtained in Manchuria "more than Tsarist Russia ever tried to seize." Its control of the Chinese Communist party gave it "an instrument and a lever with which to undermine the independence and integrity of China, and the peace of the Far East." China, Tsiang declared, was fighting "this new evil" as steadfastly as it had fought the aggression of the Japanese. He appealed to the Assembly not to delude itself in an illusory security, but to ponder the implications of a struggle whose outcome would decide "not only the future of China but the future of many neighboring countries in South Asia as well as the future of the whole world."[4]

Vyshinsky's reply to this appeal in his speech of September 23 fairly exemplified the tone of his own contribution to the general debate and the scorn which the Soviet bloc was to pour on the Chinese Nationalist delegation throughout the session. "By distorting facts and making insinuations against the U.S.S.R.," said the Soviet Foreign Minister, "Mr. Tsiang has given proof of one thing only. He has given proof of the beastly hatred of the foundering reactionary Chinese circles . . . for everything advanced and truly democratic, for everything that is being fought for today by the peoples of all countries headed by their best representatives and defending their independence and freedom from the imperialist yoke and from arbitrary rule. But it would be unworthy of self-respecting people to enter into polemics with Mr. Tsiang and his like."

Having thus disposed of the China problem for the moment, Vyshinsky went on to present the main themes of Soviet propaganda for the session. As usual, peace was the burden of his

[4] For further quotations from Tsiang's speech of September 22 cf. above, pp. 46 and 65.

song—peace, which the Soviet Union was valiantly defending against what he chose to portray as the aggressive designs of the criminal Anglo-American warmongers. Developing the topic of countless articles in *New Times* and of a series of Soviet-sponsored international "peace congresses," Vyshinsky analyzed the difficulties of the United Nations in terms of this fundamental contrast. The present "utterly unsatisfactory state of affairs" in the U.N., he said, was the direct outcome of the undermining tactics of the Anglo-American majority, with its "aggressive North Atlantic alliance," its "bankrupt Marshall Plan," and its "frantic armaments race." Against these subverters of the peace the Soviet Union, "faithful to the principles of international co-operation" and to the "mighty mass movement for peace" that was "growing a hundred times faster than the black array of warmongers," considered it a duty to raise its voice.

The United Nations, too, Vyshinsky continued, had a duty to "add its voice to the voices of millions and millions of peoples who are opposing war and standing for peace and friendship among nations." Accordingly, he called on the Assembly to take three specific actions, "aimed at strengthening peace and eliminating the threat of a new war which is being prepared by the aggressive blocs of states headed by the United States of America and the United Kingdom." First, the Assembly should formally condemn the whole series of preparations for a new war that were being conducted in these countries. Second, it should insist on the adoption of "practical measures for the unconditional prohibition of atomic weapons and for the establishment of an adequate and rigid international control." Third, it should call upon all nations "to settle their disputes and differences peacefully" and—here was the principal novelty—should call upon the five great powers (U.S., U.K., China, France, and U.S.S.R.) to "join their efforts for this purpose and conclude between themselves a pact for the strengthening of peace."

It was easy to point out that Vyshinsky's analysis of the world situation was a tissue of false conclusions drawn from unsound premises. "The same [speech] as has been fed to us year after year," said Ernest Bevin on September 26; ". . . a constant repe-

tition of untruths in the hope that, if you keep repeating them often enough, someone will believe them." Peace, in Soviet terminology, said Bevin, "is only peace when it produces results approved by the Politburo. If we have any opinions ourselves and dare to express them, we are labelled warmongers. . . ." Nevertheless, Vyshinsky's diatribe had gone to the heart of the U.N.'s problem, however obliquely; and his specific recommendations, insidious though they might be, were so phrased that it would be difficult for the Western powers to repudiate them without seeming to repudiate the peaceful principles which allegedly inspired them. At the very least, the three-point Soviet resolution confronted the U.S. and U.K. delegations with a rhetorical problem of the first magnitude.

Before taking a stand on the Soviet proposals, the Assembly had to deal with its formidable prepared agenda. Of the 68 items which it parceled out to the working committees on September 22, not many were strictly new and not more than a third related directly to the East-West struggle. Many of the others, like the disposition of the former Italian colonies, the Palestine question, and numerous matters in the economic, social, and humanitarian field, are better suited for detailed treatment elsewhere.[5] The present survey, being primarily concerned with the operation of the U.N. as a meeting ground between East and West, is confined to matters that bore directly on this relationship.

Vyshinsky's critical references to "the dominating Anglo-American majority in the General Assembly" might betray a false notion of U.N. politics, but it correctly reflected the outnumbered position of the Soviet bloc. Habitual defeat in past Assemblies on "cold war" issues raised by governments critical of the U.S.S.R. had produced a regular pattern of Soviet resistance: first, a losing fight to keep the offending item off the agenda; second, introduction of a Soviet counterresolution, invariably voted down in committee; third, reintroduction of the Soviet resolution in plenary session, and a stubborn rear-guard action before the majority resolution was formally adopted and the

[5] Cf. below, pp. 315-349 (economic and social matters), 355-366 (Italian colonies), and 396-412 (Palestine).

Soviet resolution finally buried. By violent propaganda speeches at each stage, the Soviet bloc spokesmen endeavored to compensate for the certain rejection of their specific demands.

In the autumn session of 1949 this procedure was varied only by the occasional shrinkage of the minority vote from 6 to 5 as a result of the defection of Yugoslavia from the Soviet bloc. In other respects, the familiar routine was repeated as rapidly as the two political committees could complete their work on successive items and report their actions to a plenary session. Before the end of October the Soviet bloc had sustained routine defeats on (1) a proposal to continue the U.N. Commission on Korea with increased powers (Resolution No. 293, adopted October 21 by 44–6), and (2) the question of the observance of human rights in Bulgaria, Hungary, and Rumania (Resolution No. 294, adopted October 22 by 47–5). Similar reverses could already be foreseen on such matters as the item on threats to the political independence and territorial integrity of Greece (Resolution No. 288, adopted November 18 by 50–6).[6]

A much more serious blow to the Soviet position was the election of Yugoslavia to replace the Ukraine as one of the nonpermanent members of the Security Council, accomplished on October 20 by a vote of 39 to 19 on the second ballot. The U.S.S.R., which looked on its position in the Security Council as the ultimate guarantee of interests that were frequently disregarded by the Assembly, had traditionally exercised the privilege of designating its own candidate for election to the seat informally reserved for an Eastern European state. As already pointed out, Yugoslavia's spontaneous decision to enter the race in opposition to Czechoslovakia, the Soviet candidate, placed the Western delegations before an uncomfortable dilemma. Britain, Norway, and Denmark were among the states that chose to follow precedent and support the Soviet-backed candidate despite the deter-

[6] Resolutions of the General Assembly are cited by the basic serial number under which they appear in the Assembly's *Official Records*. For further discussion of these resolutions cf. above, pp. 271-272 (human rights) and 267-269 (Greece), and below, pp. 459-460 (Korea). Yugoslavia's position, including its election to the Security Council, is discussed above at pp. 260-261.

mination of the United States to secure Yugoslavia's election.[7] Vyshinsky's violently expressed hostility to the Yugoslav candidacy, and his angry charges of illegality when the vote was announced, caused some apprehension lest the U.S.S.R. absent itself from future meetings of the Security Council as it had done once or twice before when its wishes were disregarded. It was with considerable relief that delegates and members of the Secretariat read of the statements published by *Pravda* and *Izvestia* on October 23 indicating that the Soviet Government, despite this sharp reverse, still adhered to Stalin's view of the U.N. as a "serious instrument" for the preservation of peace and international security.

Several other items on the Assembly's agenda touched the Soviet Union closely through their bearing on the powers and functioning of the Security Council. A large majority of the smaller nations represented in the Assembly had long viewed the operations of the Security Council with dissatisfaction. Natural discontent with an arrangement that subordinated their vital interests to the decisions of five great powers was accentuated by the historical record of the Security Council, which counted more vetoes and failures than it did positive accomplishments. Since 1947 a kind of constitutional struggle between the Assembly and the Security Council had been in progress which tended to reflect in still another field the East-West alignment of the cold war. The United States, though a permanent member of the Security Council, preferred to use the Assembly, where there was no veto, as the main instrumentality for implementing policies which were so largely concerned with resisting Soviet encroachments. The U.S.S.R., for the same reason, clung desperately to the "principle of unanimity of the great powers" in the Security Council and stoutly resisted all innovations that threatened to diminish that body's authority.

Beginning with the establishment of the Interim Committee

[7] According to press reports of October 6 and 7, the U.S. rejected an informal suggestion from the U.N. Secretariat that the U.S.S.R. might soften its position on the Greek question if the U.S. withdrew its support of Yugoslavia's candidacy.

or "Little Assembly" in 1947, the Assembly had taken the initiative in many matters that bore on Security Council functions and had progressively raised its stature at the Security Council's expense. It had assumed full responsibility both in the Balkan and Palestine questions, in which the Security Council had originally played a major part, and in the matter of the Italian colonies, on which the great powers had been unable to agree in another forum, the Council of Foreign Ministers. It had waged a long campaign against the exercise of the veto, culminating in a resolution (No. 267) adopted at the spring session of 1949 which recommended four separate techniques for avoiding vetoes in specific instances. It had fought with special tenacity against the use of the veto to block the admission of new U.N. members and had devoted much ingenuity to the search for means of circumventing this practice.[8]

In the Fourth Assembly the U.S.S.R. continued to stand firm against all attacks on the Security Council's prerogatives. Outside the Assembly, however, it did agree to one innovation that showed some deference to majority opinion and aroused hope that the Security Council might eventually find its way out of the doldrums. In its spring resolution on the veto the Assembly had recommended, among other things, that the Big Five should agree (1) to refrain from using the veto on certain specified types of decisions, and (2) to consult together, in advance of a formal vote, with the object of forestalling a veto in cases where it would prevent effective action by the Council. In October Warren R. Austin of the United States, as president of the Security Council, convoked the delegates of the Big Five to consider what could be done toward adopting these principles. Mr. Malik, the Soviet delegate, refused to budge on the first of the two recommendations; but, after some hedging, he surprised and delighted his fellow-delegates by accepting the principle of advance consultation and even volunteered the suggestion that responsibility for initiating consultation should be rotated monthly. The new procedure, announced on October 31, did not come up for trial during the balance of

[8] Cf. *The United States in World Affairs, 1948–1949,* 445-447.

the year. The U.S.S.R. cast only two more vetoes—on a minor aspect of the Indonesian question on December 13—before withdrawing from the meetings of the Security Council early in January in token of its refusal to sit any longer with the representative of Nationalist China.[9]

If the Security Council had moved slightly closer to the Assembly's view in regard to the veto, it showed no regard for Assembly opinion in the matter of U.N. membership. The admission of Israel on May 11, 1949 had left 12 earlier candidates still vainly awaiting the approval by the Security Council which was prerequisite to favorable action by the Assembly. Five states of the Soviet bloc—Albania, Bulgaria, Hungary, Rumania, and the Mongolian People's Republic—remained unacceptable to the Western powers because of doubts concerning their ability and willingness to carry out the obligations of the Charter. In the case of the four Balkan governments these doubts were strengthened rather than diminished by the series of events recounted in the preceding chapter. Until the Western powers consented to relax their opposition, however, the U.S.S.R. on its part refused to permit the approval of Austria, Italy, Ireland, Portugal, Jordan, Ceylon, or even its own ally Finland. In 1949 a thirteenth and a fourteenth state, the Republic of Korea and the small Himalayan kingdom of Nepal, joined the list of Western-supported and Soviet-opposed applicants.

During the summer the Security Council, spurred by the adjurations of the Assembly at its Paris meeting, once again went through the tedious process of disqualifying all applicants, separately and *en bloc.* Korea had already been vetoed by the U.S.S.R. on April 8.[10] Nepal encountered a Soviet veto on September 7, after the United States had rejected a Soviet proposal to certify all applicants, including the Soviet bloc states.

[9] The U.S.S.R. also cast two vetoes (against the French plan for a census of conventional armaments) on October 18, the day on which Austin announced the agreement on the principle of consultation. Cf. below, p. 303.

[10] *The United States in World Affairs, 1948–1949,* 311. The Soviet-supported North Korean regime had also applied for U.N. membership but failed to muster enough support to secure consideration by the Security Council.

The seven other Western-supported governments met the same fate on September 13. Two days later the five Soviet candidates lost out once more by votes of 4–2 and 4–3, with the United States and China abstaining but France and Britain solidly against them.

The Fourth Assembly's action on the membership issue differed from that of previous sessions mainly in the increased sense of frustration and bitterness that marked the utterances of the smaller countries. The Western powers continued to urge the admission of those states the Assembly recognized as fulfilling the requirements of the Charter; seven of the Western-supported states had already been so recognized at Paris. The Soviet bloc continued to urge the admission of *all* applicants, with the single exception of Korea. The smaller powers continued to urge the members of the Security Council to take a broad enough view of their responsibilities to put an end to what seemed to them a ridiculous and intolerable situation. Ultimately, on November 22, the Assembly took action along four separate lines (Resolution No. 296): (1) It rejected, 32 to 12, the Soviet proposal covering 13 of the 14 applicants. (2) It approved nine separate Australian resolutions, by votes of 50 or more to 5, urging the Security Council to reconsider the nine Western-supported applications. (3) It adopted, 42 to 5, an Iraqi resolution asking the Big Five to refrain from using the veto in membership questions. (4) It approved by 42 votes to 9 an Argentine resolution to ask the International Court whether the Assembly could act independently on membership applications which had failed of acceptance by the Security Council.

A negative response, handed down by the International Court on March 3, 1950, pointed the lesson that in membership questions the Assembly could do nothing on its own initiative except voice its opinions. For certain other matters it had a more effective instrument in the Interim Committee, nominally including all members of the U.N., which had been set up in 1947 to function between sessions and deal with matters referred to it by the Assembly. Though opposed and boycotted

as illegal by the Soviet bloc, the Committee had been extended in 1948 for a second year, given increased powers of investigation and decision in connection with the Greek and Korean problems, and directed to pursue certain studies it had been making in regard to problems and techniques of international cooperation in the political field.[11]

Among the early products of the Interim Committee's work had been the resolution on the veto problem which the Assembly finally adopted at its spring session in 1949. Three other recommendations of the Committee were approved by the Assembly at that session, dealing respectively with (1) procedures for conciliation, arbitration, and judicial settlement of disputes outside the U.N.; (2) procedures for conciliation in disputes brought before the Security Council; and (3) appointment of a panel of competent persons who would be available to serve on U.N. inquiry and conciliation commissions.[12] Meanwhile the Committee proceeded to draw up a long-range plan of work and initiated studies of the growing record of U.N. experience in the field of conciliation and peaceful settlement of disputes.

At its autumn session the Assembly was faced with the problem of whether to give the Committee a new lease on life which would enable it to make further progress along these lines. A majority in the Committee itself and in the Assembly favored its extension for an indefinite period, with virtually no change in its terms of reference. The United States argued strongly that the Committee's work had justified itself despite the nonparticipation of the Soviet bloc, and urged its continuance as a vital instrument for promoting a spirit of cooperation and unity.

The Soviet bloc, on the contrary, persisted in its contention that the Interim Committee, or "Super-Assembly," was nothing but a device for bypassing the Security Council. Just before the

[11] Resolution No. 196, December 3, 1948; cf. *The United States in World Affairs, 1948–1949,* 433-434.

[12] Resolution No. 268, April 10, 1949. A fourth proposal dealing with the exercise of conciliation functions by the president of the General Assembly was referred back to the Interim Committee for further study.

Assembly decided on November 21, by a 45–5 vote, to reestablish the Committee without time limit (Resolution No. 295), the Soviet delegate, Semyon K. Tsarapkin, warned once again that no undertaking would succeed that was attempted "in the absence of the Soviet Union—and, *a fortiori,* in the teeth of the Soviet Union." All knew, he said, what forces were gnawing at the foundations of the United Nations. "If the exceptionally dangerous activity of the forces directed against the Security Council is not halted, then one fine day will come when the last thread of support will be gnawed through and the whole structure of the United Nations will collapse."

One other Assembly decision of an organizational character was taken in the face of uncompromising opposition from the U.S.S.R., again on the primary ground that it was directed at undermining the prerogatives of the Security Council. This was the action on the Secretary-General's proposal for a United Nations Field Service to protect U.N. missions in disturbed areas and provide them with transport, communications, and other services. Originally advanced in September 1948 in the shocked atmosphere created by the assassination of Count Folke Bernadotte, the U.N. Mediator for Palestine, the project had aroused opposition in various quarters and been roundly denounced by the U.S.S.R. as a device for setting up a special "armed force" outside the provisions of the Charter. A new and watered-down proposal which Lie put forward in June 1949, and which gained the approval of a special study group set up by the Assembly, endeavored to take account of Soviet objections by limiting the proposed Field Service to a maximum of 300 men, ordinarily without arms; in addition, the Secretary-General recommended that a Field Reserve Panel of 2,000 men (later changed to a Panel of 2,500 "Field Observers" of either sex) be set up as a source of personnel to supervise U.N. truce arrangements and plebiscites.

The practical advantages of the scheme and its warm espousal by the United States failed to gain it the undivided approval of the Assembly. France and Britain, which voted for the Field Service, declined to support the Observer Panel on

the ground that it would be no improvement over existing arrangements. Various small nations whose affairs had required or might some day require U.N. attention showed sensitivity about authorizing uniformed international groups to operate on the soil of member states. As usual, however, the only negative votes when the two projects were formally adopted on November 22 (Resolution No. 297) were those of the Soviet bloc, which had fought the plan through all its stages—an American Trojan horse, the Soviet delegate called it—and maintained its flamboyant opposition to the last. Summing up before the vote was taken, Tsarapkin classed it with the Assembly's actions on the Interim Committee and on the admission of new members. All of them, he reiterated, were attempts to challenge the U.N., undermine the Security Council, and confer its functions on other organs.

2. Deadlock on Atomic Armaments

In its tooth-and-nail defense of the Security Council the Soviet Union made use alternately of legal and political arguments and of sheer bombast and misrepresentation. The real issue, it was apparent, lay deeper. In defending the Security Council the U.S.S.R. was actually defending its own conception of the United Nations as a body which could not move effectively in any direction without Moscow's consent. This conception emerged very clearly in the discussions of atomic energy control and conventional armaments which occupied a large and fateful place in the Assembly's fourth session.

No problem before the United Nations was fraught with graver consequences for mankind than that of the international control of armaments, of atomic energy, and of other weapons of mass destruction. At the same time, no problem exemplified more fully the agonizing difficulty of effecting accommodation between the Soviet and Western viewpoints. It was a tragic irony that the need of shackling the most tremendous force in nature should have fallen upon the international community at

a moment when it was already cleft by a political and psychological gulf as deep as any in history.

Whether the differences over atomic energy control should be viewed rather as a cause or as an expression of the East-West conflict is a matter for future historical judgment. What is already certain is that by 1949 a solution of the East-West conflict without a solution of the deadlock on atomic armaments had become unthinkable, and that, conversely, a solution of the atomic deadlock was difficult to imagine while East and West remained so radically opposed in every other respect. The mutual distrust that poisoned the whole East-West relationship appeared in its purest form in the debates that centered in the U.N. Atomic Energy Commission.

The advent of atomic energy had transposed the old problem of world disarmament to a new plane of urgency without altering its fundamental terms. Disarmament efforts between the wars had foundered mainly because individual governments, however desirous of disarmament in principle, had been determined to surrender no momentary advantage, no element of protection, that was not balanced by equal or greater concessions on the part of other governments. The United Nations, confronted with the imperative task of controlling the destructive potentialities of nuclear fission, found itself tied by similar considerations. No government, it is reasonable to assume, desired an atomic war; all of them would have preferred an agreement that would free their own and other peoples from the fear of atomic devastation. Yet no major government was looking for atomic agreement "at any price." None of them wanted an agreement on terms that would offer less security than they already had or involve the sacrifice of any other vital interest.

The United States, which joined with Great Britain and Canada in placing the issue before the United Nations at a time when it was still the only power capable of manufacturing the atomic bomb, wanted no agreement outlawing atomic weapons that did not embody real guarantees of compliance, equally binding on the United States and all other goverments. Believ-

ing itself to be five to ten years ahead of any unfriendly competitor in the development of atomic energy, the United States was not prepared to surrender its advantage for anything less than an absolutely reliable international control system. Existing facilities and stocks of weapons, in the American view, were an indispensable protection which must be maintained until such a control system was actually working. Other Western governments may have found some features of the American plan for atomic energy control unnecessarily rigorous, but supported it in all essential respects.

The U.S.S.R., on the other hand, wanted no agreement that would subject it to the kind of international control that the United States and other Western powers deemed essential. The Soviet position, however critically it may be judged on logical or other grounds, was expressive of an attitude deeply embedded in the Soviet mentality. When the Soviet leaders launched their recurrent demands for unilateral atomic disarmament by the United States, they may or may not have thought they were making a constructive contribution. But for them to submit to the type of controls envisaged in the U.S. plan seemed as much a psychological impossibility as it would have been for the Western governments to trust the unsupported word of the Soviet Government. By 1947, the U.S.S.R.'s own experiments with nuclear fission were too near success for Soviet statesmen to consider seriously any such breach of the Soviet system as the Western plan involved.

United Nations discussion of the armaments issue was complicated by its division into two segments, each of which was entrusted to a different U.N. organ. Atomic armaments and other weapons of mass destruction were the province of the Atomic Energy Commission (UNAEC), established by the General Assembly in 1946 "to deal with the problems raised by the discovery of atomic energy and other related matters" and make specific proposals to the Security Council for ensuring that atomic energy would be used only for peaceful purposes.[13]

[13] In particular, the Commission was directed to make specific proposals "(a) for extending between all nations the exchange of basic scientific information for

To work on all other types of armaments a parallel body, the Commission for Conventional Armaments, had been set up in 1947 pursuant to a General Assembly resolution (No. 41) calling for an early general regulation and reduction of armaments and armed forces.

Separation of these two interrelated problems was difficult in practice, since each had a direct bearing on the over-all balance of military power and each was governed by the same class of political and psychological tendencies. The U.S.S.R., for reasons in which propaganda as well as logic had a part, made repeated efforts to link the two issues, most particularly in Vyshinsky's proposal to the 1948 Assembly calling for prohibition of the atomic weapon and a one-third reduction of the armaments and armed forces of the Big Five.[14] Nevertheless the nature of the problem in its more recent phases may be grasped more readily by respecting the separation on which the United States continued to insist in all U.N. deliberations.

The long-standing deadlock on atomic energy sprang directly from the refusal of the Soviet Union and its associates in the Atomic Energy Commission (first Poland, later the Ukraine) to accept the so-called "majority plan" for atomic energy control, which the Commission had developed on the basis of proposals originally submitted for the United States by Bernard M. Baruch in 1946. Under U.S. leadership the majority of the Commission, taking seriously the Assembly's mandate to devise an "effective" control system, had approved an elaborate plan centering in an international control agency which would have broad jurisdiction over all phases of atomic development and would itself own and operate all materials and facilities directly related to the production or utilization of nuclear fuel.[15]

peaceful ends; (b) for control of atomic energy to the extent necessary to ensure its use only for peaceful purposes; (c) for the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction; (d) for effective safeguards by way of inspection and other means to protect complying States against the hazards of violations and evasions." Resolution No. 1, January 24, 1946

[14] *The United States in World Affairs, 1948–1949,* 415. For an account of the 1948 Assembly's actions on this and other aspects of the problem, cf. *ibid.,* 410-419.

[15] The majority plan is set forth in U.N. Atomic Energy Commission, *Official*

Exhaustive analysis of this highly technical plan and of the intricate questions of "transition stages," "strategic balance," and "production quotas" is impossible within the limits of the present discussion. The essential point, irrespective of the possible merits of the Soviet and other objections to specific details, is that the only unalterable opposition to the American proposals came from the Soviet side, and that Soviet opposition was directed primarily to those features of the American (majority) plan that would subject Soviet atomic operations to real international control. Particularly objectionable to the U.S.S.R. were (1) the provision for international ownership and/or operation of certain atomic facilities, and the right of the international agency to conduct whatever inspections and surveys were necessary to detect clandestine activities or facilities relating to nuclear fuel; and (2) the express stipulation that the veto principle should not apply to the operations of the international agency or to the measures of enforcement and punishment that would be necessary in case of willful violations.

Both of these provisions were doubtless necessary if the control system was to be absolutely trustworthy; yet both of them were diametrically opposed to the Soviet idea of national sovereignty and of the U.S.S.R.'s role in international affairs. The first would violate Soviet concepts of economic organization and expose the U.S.S.R.'s most intimate secrets to the prying eyes of international investigators. The second, on which even the United States seemed to lack complete conviction, would deprive the U.S.S.R. for certain important purposes of that last-ditch defense, the rule of unanimity, which it regarded as the basic condition of its participation in the United Nations. To Western minds these objections might seem trivial in comparison with the greatness of the issue at stake. The Soviet leaders reasoned differently. Rather than surrender these most cherished principles they were ready to accept the costs and the risks of an atomic armaments race.

Records: Fourth Year, Special Supplement No. 1 (U.N. Document AEC/C.1/77/Rev. 2) and is also printed as Department of State Publication 3646, Washington, 1949.

Since the U.S.S.R. itself put forward no proposals that were deemed worthy of serious consideration by the majority in the Atomic Energy Commission,[16] the work of the Commission had reached a complete stalemate by the spring of 1948 and the majority recommended that further work be suspended. Yet to other U.N. governments the only hope of ever achieving better results seemed to lie in somehow keeping the negotiations alive. At Paris in November the General Assembly gave its unqualified approval to the majority plan; but it expressed "deep concern" at the impasse which had developed in UNAEC, and requested the six permanent members or "sponsoring powers" (the Big Five and Canada, which had jointly sponsored the original resolution setting up UNAEC) "to meet together and consult in order to determine if there exists a basis for agreement," reporting the results to the next session of the Assembly.[17]

The private talks among the six permanent members did not get under way until August 1949 and were still going on when the Assembly met again in September. In the meantime the full Commission had once again confronted the fact that it was hopelessly divided, and again gone on record in favor of suspending its work until a basis of agreement was reported by the sponsoring powers.[18] On September 16 the Security Coun-

[16] The basic Soviet proposals advanced in June 1947, to which Soviet representatives continually recurred, called for periodic inspections which would apply only to such atomic plants as were reported to the control body by the governments concerned. The AEC determined on April 4, 1948 that these proposals ignored the existing technical knowledge of the problem and failed to provide an adequate basis for effective international control, and that consequently no useful purpose could be served by discussing them further. The Soviet proposals and the AEC resolution are printed as Annex 3 and 4 of the AEC's *Third Report to the Security Council* (U.N. Document AEC/31, May 17, 1948, reprinted as Department of State Publication 3179, Washington, 1948).

[17] Resolution No. 191, adopted by a vote of 40–6 (Soviet bloc) on November 4, 1948.

[18] The suspension was opposed by the U.S.S.R. and the Ukraine, which had supported a revived Soviet proposal (first advanced at Paris and rejected by the Assembly) to draft two "simultaneous" conventions, one prohibiting atomic weapons and the other establishing a control authority based on the discredited Soviet plan. Instead the AEC adopted on July 29 (1) a Canadian resolution (U.N. Document AEC/42) declaring that no useful purpose could be served by further discussion of this Soviet project, and (2) an amended U.S. resolution

cil voted to transmit the Commission's views and the record of its discussions to the Assembly.

Even before President Truman announced the Soviet atomic blast on the fourth day of the Assembly session, it was obvious that the problem was uppermost in the minds of many delegates. Indications that the U.S.S.R. could also make an atomic bomb increased the agitation among the smaller nations and spurred a feverish search for some exit from the impasse. Vyshinsky in his opening address had renewed the demand for "unconditional prohibition of atomic weapons and . . . establishment of an adequate and rigid international control," a formula that represented no perceptible departure from the previous Soviet position. The Western powers, too, gave every indication of sticking to their original guns. In rapid succession Acheson, Bevin, Schuman, and McNaughton of Canada reaffirmed their adherence to the majority control plan which the Assembly had already endorsed. "It would be deluding ourselves to get something on paper that is not really effective," said Acheson on September 23, anticipating the cry for a new approach that was bound to be raised on various sides.

This attitude struck many U.N. quarters as inadequate to the circumstances. There was a widespread feeling that because the factual situation had changed, the Western powers had an obligation to modify their previous stand. The issue of atomic control, said General Romulo on September 24, "must be faced squarely" at this session; and various delegations and private groups busied themselves in looking for new ways to bridge the differences among the great powers. India proposed to refer the problem to the International Law Commission, whose members were experts and not governmental representatives and therefore seemed more likely to agree. Australia suggested that the General Assembly establish a new commission with different membership, responsible directly to the Assembly instead of the Security Council. Canada and Argentina brought forward schemes for prohibiting the use of atomic weapons ex-

(AEC/43) advising against further discussion until the six permanent members reported that there was a basis of agreement on an effective control system.

cept to deal with aggression, on the explicit authorization of an appropriate U.N. body: Canada suggested the Security Council operating without veto; Argentina, the Assembly or the Interim Committee. None of these proposals found much favor with the great powers. They demonstrated ingenuity and good will, but ignored the root of the difficulty. The Soviet Union would still accept no control plan that the Western powers considered adequate, and the latter were still determined to accept nothing less.

Distress in the Assembly was redoubled when the six permanent members of UNAEC reported the results of their 10 private conversations held between August 9 and October 24. Neither side, it appeared, had changed its fundamental position in the slightest. The U.S.S.R. had again produced its own repeatedly rejected control plan, at the same time intimating that any new proposals should come from the United States in view of the disappearance of the monopoly on which the original U.S. plan had allegedly been based. The other five governments still could see no prospect of a satisfactory agreement in view of the U.S.S.R.'s refusal to grant adequate powers to the international control authority—let alone its insistence on the veto, which had not even been discussed as yet. "It is apparent," they reported, "that there is a fundamental difference not only on methods but also on aims. All of the sponsoring Powers other than the U.S.S.R. put world security first and are prepared to accept innovations in traditional concepts of international cooperation, national sovereignty and economic organization where these are necessary for security. The Government of the U.S.S.R. puts its sovereignty first and is unwilling to accept measures which may impinge upon or interfere with its rigid exercise of unimpeded state sovereignty. If this fundamental difference could be overcome, other differences which have hitherto appeared insurmountable could be seen in true perspective, and reasonable ground might be found for their adjustment." [19]

The issue, at any rate, was clear; but few dared accept the

[19] U.N. Document A/1050, October 25, 1949.

conclusion that the chances of accommodation had been exhausted. As the Assembly's Ad Hoc Political Committee prepared to consider the specific atomic energy resolutions on its agenda, General Romulo launched a solemn appeal to all concerned to neglect no possibility of agreement, no matter how remote. "Mankind," he wrote, "is not prepared to accept a deadlock on a matter so serious to the future of the whole world." Various paths to agreement might be further explored: a short-term atomic armistice, an interim prohibition on the use of atomic weapons, a relaxation of the ownership-management feature of the majority plan. Even the fundamental nature of the control problem might warrant reappraisal in the light of recent scientific opinion which suggested that less elaborate controls could do the job. The important thing, said the Assembly's president in effect, was to maintain flexibility. "The reiteration of previous positions, no matter how earnest or cogent, has kept us turning in the same circle for three years. It is time to break out of the circle." [20]

Nevertheless the Assembly was fated to swing around the familiar circle once more, winding up as usual by resoundingly rejecting the Soviet proposals and endorsing those of the West. The unacceptable resolution of the U.S.S.R. called on the Assembly to condemn the attitude of the United States and United Kingdom and vote for simultaneous conventions on atomic prohibition and control. The West lined up behind a Canadian-French resolution asking continued search for agreement by the sponsoring powers and calling on all nations to limit their individual exercise of the rights of sovereignty so far as was necessary for the promotion of world security and peace (Resolution No. 299, adopted November 23 by 49–5). India, Argentina, and Haiti introduced separate resolutions of conciliatory intent which failed to gain committee approval.

The debate was memorable chiefly for an extravagant statement by Vyshinsky on November 10 to the effect that the U.S.S.R. was already using atomic energy for vast works of

[20] Letter to the Six Permanent Members of the AEC, November 3, in *New York Times*, November 10, 1949.

peace such as the razing of mountains, irrigating of deserts, and cutting through the jungle and the tundra. John D. Hickerson, who carried the main burden of debate for the United States, echoed the general incredulity and asserted that this claim, if true, merely confirmed the need for a genuine international authority. "The same atomic energy developed for peaceful uses is automatically and inescapably available for military purposes," he said. "If nations have devices in their possession which can level mountains, they also have in their possession devices which can level cities." [21]

The heavy vote against the Soviet resolution showed that most delegations had identified to their own satisfaction the real reasons for disagreement. They could not be optimistic about the chance of better results in the further negotiations they had asked for. Discontent with the position of the Soviet Union, however, did not imply entire satisfaction with that of the United States, which throughout the session had stuck fast to its contention that the existing majority plan was the best available and must be upheld until someone produced a better one. The U.S. delegation itself seemed to have no expectation that a better one would be produced.

Ignorance of the scientific and technical factors involved made it difficult to evaluate the merits of the American position; but to some of the delegates it seemed that specific features to which the U.S.S.R. objected, such as the rigid control and enforcement provisions, the absolute distinction between atomic and other armaments, and perhaps the suspension of the veto, might still merit reexamination. General Romulo's appeal to continue, "by every conceivable means," to seek agreement on an effective control system had lost none of its force. Early reports that the United States was already at work on a "super-bomb" perhaps 1,000 times as destructive as the original A-bomb [22] gave added point to an admonition that unmistakably echoed the feeling of men, women, and children everywhere.

[21] Statement to the Ad Hoc Political Committee, November 11, 1949.

[22] The first public intimation concerning the so-called hydrogen bomb was made by Senator Edwin C. Johnson of Colorado in a television broadcast on November 1.

While awaiting the Assembly's final action on the atomic energy resolutions, the Ad Hoc Committee had turned its attention to the other aspect of the world armaments problem involved in the work of the Commission for Conventional Armaments. In this field a similar deadlock had prevailed ever since the summer of 1948, when the Commission reported (over the objections of the U.S.S.R. and the Ukraine) that the two prerequisites to a system for the regulation and reduction of armaments—namely, adequate provision for international supervision and enforcement, and an atmosphere of international confidence and security—did not then exist. At Paris the Assembly had nevertheless asked the Security Council and the Commission to continue their work. As an essential step toward reduction of armaments, the Assembly had asked that first attention be given to the problem of collecting from the member states exact data on their military effectives and conventional armaments (Resolution No. 192, November 19, 1948).

Accordingly, the Commission devoted the next eight months to working out a plan for a world armaments census, based on a French proposal which was formally approved on August 1, 1949. Essential features of the French plan were (1) a detailed questionnaire to be answered by all member states, covering all military and paramilitary forces, both active and reserve, the "complete order of battle," and all types of weapons, armor, combatant ships and aircraft, and other material except for research and experimental material; and (2) a Central Control Authority which would be responsible for verifying the information collected, would have "the greatest possible freedom of movement and access to data," and could direct investigations by international verification teams.[23]

Like the majority plan of the Atomic Energy Commission, this project was well suited to accomplish the objectives set by the General Assembly but wholly unsuited to gain acceptance by the U.S.S.R. The Soviet and Ukrainian members of the Commission fought the plan from the beginning, using a variety of arguments that showed scant regard for the Commission's for-

[23] U.N. Document S/C.3/40, July 20, 1949.

mal terms of reference. Overtly, their principal objection was to the fact that the plan made no provision for collecting data on atomic armaments—a field in which the Commission actually had no jurisdiction. In reality, they asserted, the census plan was nothing but a subterfuge aimed at blocking the U.S.S.R.'s proposal for achieving peace and security by outlawing the atomic weapon and drastically reducing other armaments. The only sensible procedure was to demand information on both conventional and atomic weapons; as for the proposed verification procedure, it should be scrapped as incompatible with national sovereignty and self-respect. This feature of the French plan, according to the Soviet spokesmen, would merely play into the hands of the American intelligence services and abet their preparations for a new world war.

When the issue came before the Security Council in October, Mr. Malik used two vetoes to prevent approval of the French plan. The arguments advanced on both sides, he remarked to reporters, were merely "the same soup in another plate." [24] On October 18 the Council decided simply to transmit the whole record to the General Assembly.

The ensuing debate in committee and plenary sessions ranged over a wider field of political controversy but produced few novelties. Some delegates appeared reluctant to speak at all in a discussion that seemed so unlikely to produce a constructive result. Various Soviet bloc spokesmen varied their customary attacks on Western "warmongering" with references to the German situation, pointing to Field Marshal Montgomery, head of the Western Union defense organization, as a leading advocate of German rearmament. Malik recalled an almost forgotten problem when he charged the United States with frustrating the work of the Military Staff Committee by insisting that quite excessive forces be made available to the Security Council for policing duties under Article 43 of the Charter.

When the final votes were taken on December 5, the Soviet resolution, calling for submission of unverified information on both conventional and atomic armaments, was rejected by 39

[24] *New York Times*, October 15, 1949.

to 6. Instead the Assembly adopted, 44 to 5, a resolution (No. 300) which approved the French census plan, recognized that it could not be implemented while the great powers were in disagreement, but hopefully asked the Security Council and the Commission for Conventional Armaments to continue their studies "in order to make such progress as may be possible." Just as it had done with atomic energy, the Assembly recognized the difficulties of the situation, but refused to believe they were too great to be overcome.

3. Vote for the "Essentials of Peace"

The element of political warfare that pervaded the armaments discussion emerged in undiluted form in the debate on Vyshinsky's resolution calling for a five-power pact to strengthen peace. The introduction of such a "surprise" resolution, summing up the main current themes of Soviet propaganda and contrasting the allegedly peaceful strivings of the Soviet Union with the warlike preparations of its opponents, was standard Soviet practice at each session of the Assembly. Disarmament and withdrawal of troops from foreign territory had been the keynote in 1946; in 1947 it was condemnation of war propaganda and demands to curb the "warmongers"; the 1948 session had featured a call for the prohibition of atomic weapons and a one-third reduction in the armed forces of the great powers. In 1949 Vyshinsky rounded off his opening speech with a three-point draft resolution which was submitted for the agenda under the title, "Condemnation of the Preparation of a New War, and Conclusion of a Five-Power Pact for the Strengthening of Peace."

Everything in this lengthy resolution was totally unacceptable to the Western powers. Senator Austin of the U.S. delegation described it as "an artificial olive branch surrounded by thorns." [25] Point one called on the Assembly for a blanket condemnation of the alleged war preparations being conducted

[25] Statement to the Assembly's Political and Security Committee, November 14, 1949.

"in a number of countries, particularly in the United States of America and Great Britain," whom the Soviets identified by name for the first time. Point two reiterated the Soviet position on atomic energy control, adding that the use of atomic and other means of mass destruction was "incompatible with the conscience and honor of nations and with membership in the United Nations organization." The best that most delegates could say for point three, which called for a special peace pact among the five permanent members of the Security Council, was that if the great powers could not agree on peace and security in the U.N. they were unlikely to do so outside.

Examination of the Soviet draft convinced the U.S. delegation that the only possible course was its complete rejection. No matter how thoroughly amended, any resolution stemming from the Vyshinsky proposals would still bear the stigma of its origin. Yet mere rejection would hardly do justice to the real merits of the Western position. Against the false claims of Soviet propaganda it was essential to put up a positive affirmation of majority ideals and objectives. A resolution on the "Essentials of Peace," sponsored jointly by the U.S. and U.K. delegations, was the majority's answer. On December 1 it was adopted by a vote of 53 to 5, with every non-Communist state voting affiirmatively and only Yugoslavia abstaining.[26]

This extraordinary demonstration was the result of an unprecedented effort on the part of the sponsoring powers to bring the smaller nations into active association with their efforts. For maximum impact it was desired that the British and American governments, which had been singled out for direct attack, should stand alone in the position of sponsors, but that the resolution should constitute an expression of majority opinion in the true sense and not be subject to diversionary amendments or competing resolutions. Accordingly, other delegations were not merely acquainted with the Anglo-American views but encouraged to contribute their own.

Various delegations responded with enthusiasm. The resolu-

[26] Resolution No. 290. The essential paragraphs of the Soviet resolution were defeated in separate votes by majorities ranging from 39–5 to 51–5.

tion that emerged as a result of many conferences lacked the barbed character of the Soviet document but constituted a telling restatement of those principles of the Charter which the U.S.S.R. had persistently made light of. No offender was named; the language of the resolution was as unprovocative as that of the Charter itself, to which it referred as "the most solemn pact of peace in history"; yet the list of specific recommendations that was laid before the Assembly read almost like a summation in reverse of the main principles of Soviet foreign policy.

Among these recommendations were full participation in all the work of the United Nations; full cooperation and free access for U.N. bodies in the performance of their assigned tasks; promotion of respect for fundamental human rights; abstinence from threats or acts directed against the freedom, independence, or integrity of any state, or aimed at "fomenting civil strife and subverting the will of the people in any state"; restraint in the use of the veto; cooperation in achieving effective international regulation of conventional armaments; and agreement to the "joint exercise" of national sovereignty to the extent necessary to attain effective international control of atomic energy.

A resolution that explicitly called for a return to the principles of the Charter was not one that the Soviet Union and its followers could easily repudiate. Members of the U.S. delegation were not sure that the Soviet bloc might not actually support the resolution and make possible a unanimous vote. Yet for the Eastern states to accept it would be to endorse many actions of the Assembly that they had previously denounced as contrary to the Charter. The resolution's real purpose, Vyshinsky told the Assembly as he renewed his diatribe against the U.S. and U.K., was to cast a cloak of seeming legality on the systematic violations of the Charter by the Anglo-American bloc.

The delegates who spoke in support of the Anglo-American resolution were in a serious mood. Experience thus far in the session left no room for easy optimism, yet reemphasized the vital importance of finding ways to transcend the existing con-

flict. No speaker was willing to give up hope. Austin, for the United States, pointed to the Soviet Union's agreement to continue the consultations on atomic energy and to utilize the consultative principle in the Security Council as hopeful and welcome signs. Yet the chief significance of the overwhelming vote on the "Essentials of Peace" lay in the widened recognition of the real source of the U.N.'s difficulties. Hector McNeil of the United Kingdom thus summed up this development on November 30 in commenting on the rejection of the Vyshinsky resolution by the First Committee: "Anxious delegations, sincere delegations, perhaps even timid delegations in the past two, three, or four years have been reluctant not to give the Soviet Union delegation the benefit of the doubt, wherever it was possible to do that. But that situation has passed, and no further doubt exists. However reluctantly, these delegations have come to the conclusion that Soviet Russia makes no contribution to the conditions necessary to world peace by such resolutions. . . ."

4. China Before the General Assembly

The debates on atomic energy, conventional armaments, and the "Essentials of Peace" highlighted the impediments to real progress toward major U.N. objectives but involved no direct threat to the existence of the U.N. as such. The Assembly had still to deal, however, with a highly explosive issue that was potentially capable of destroying what little common ground still remained between the majority and the Soviet-dominated minority. This was the issue raised by the delegate of Nationalist China in September when he accused the U.S.S.R. of pursuing a policy in the Far East that violated international agreements and threatened the political independence and territorial integrity of his country. Since Dr. Tsiang spoke, the People's Republic of China had been formally proclaimed and accorded diplomatic recognition by the members of the Soviet bloc, including Yugoslavia. The implications of this event had been present as a persistent and menacing undertone throughout the

session. Many a committee meeting had been enlivened by Vyshinsky's taunting references to the Chinese Nationalist delegation, to whose utterances he once referred as "the wail of a little orphan at the edge of his grave." [27]

Two aspects of the China situation were a source of immediate and unavoidable concern to the United Nations. One was the demand of Dr. Tsiang for a blanket endorsement of the Nationalist government in its quarrel with the Soviet-backed Chinese Communists. On September 27 he formally submitted an agenda item entitled "Threats to the political independence and territorial integrity of China and to the peace of the Far East, resulting from Soviet violations of the Sino-Soviet Treaty of Friendship and Alliance of 14 August 1945 and from Soviet violations of the Charter of the United Nations." Specifically, the Chinese draft resolution asked for (1) a flat condemnation of the U.S.S.R. for its alleged treaty and Charter violations, and (2) a recommendation to all U.N. members to refrain from aiding the Chinese Communists militarily or economically, recognizing any Chinese Communist regime, or taking advantage of the situation for any purpose incompatible with China's independence and integrity.

The other problem was the demand of the new Communist regime for recognition as the only government qualified to represent China in U.N. councils. On November 18 the Foreign Minister of Peiping's six-weeks-old Communist government dispatched messages to Lake Success repudiating the Nationalist delegation and calling on the United Nations to deprive it immediately "of all rights to further represent the Chinese people in the United Nations." [28]

That the Soviet bloc would fight the Nationalist resolution to the death was a foregone conclusion; that it would also support the demand to unseat the Nationalist delegation—if indeed it had not actually instigated Peiping's move—became evident when Poland called on the Secretary-General to circu-

[27] Statement to the Assembly's Political Committee, October 27, as reported in *New York Times*, October 28, 1949.
[28] U.N. Document A/1123, November 21, 1949.

late the Communist messages as official U.N. documents. On November 23 Vyshinsky informed the Assembly that the delegation of the U.S.S.R. would no longer regard the "Kuomintang delegation" as representative of China.

Nothing could have been more embarrassing to the United States than this irruption of the China problem into the General Assembly at a time when future U.S. policy toward China still remained to be established. This was not just a simple case of clashing Soviet and American aims. The United States was in the painful position of being unable to take an unequivocal stand either for or against the Nationalists. Furthermore, it was in some danger of getting separated from the governments that had stood by it most firmly on every other East-West issue before the Assembly.

The embarrassment of the U.S. delegation reflected the same legal, ethical, and political uncertainties that were affecting the American attitude toward China in other respects.[29] On the one hand, the State Department had made up its mind that Chiang Kai-shek's regime had lost the Chinese civil war, and no longer qualified to receive American material aid. On the other hand, it was politically opposed to the Chinese Communists and had grave doubts of their eligibility for diplomatic recognition, let alone acceptance into the U.N. These doubts were fortified, on one side, by repeated and flagrant instances of Communist mistreatment of American personnel in China, and, on the other, by continued clamor in the United States against any sign of "softness" toward China's new masters.

In such circumstances the wisest course had seemed to be a waiting one; but the decision of both Chinese factions to carry their fight before the U.N. made temporizing extremely difficult. The Nationalist government, whatever its failings in other respects, had made serious charges against the U.S.S.R. which warranted careful examination. The whole moral position of the United States was bound up with its reputation for resisting encroachments by strong powers on the independence and integrity of other countries. Even without the political

[29] Cf. above, pp. 56-61.

pressure at home, a precipitate abandonment of the Nationalists would be a dangerous violation of principle and might bring unfavorable repercussions all over the world.

Unfortunately for the United States, other governments were less solicitous for what remained of Chiang's regime. In Great Britain and France there was nothing to be compared with the group of die-hard pro-Nationalists in the American Congress. The governments of those countries certainly did not welcome the advent of a Communist China, which created at least as many problems for them as it did for the United States; but they were much readier to believe that Communism had come to China to stay, and saw few advantages in a prolonged refusal to come to terms with China's new regime. Since Acheson's meeting with Bevin and Schuman on the eve of the Assembly session it had been fairly clear that British and probably French recognition of the Chinese Communists was only a matter of time. A similar trend was discernible in India and various other British Commonwealth countries. These governments would certainly be loath to adopt an uncompromising stand unless the merits of the Nationalist case proved much stronger than seemed likely.

Unqualified support of the Chinese delegation, therefore, would have three disadvantages: it would commit the United States to an extreme position in a cause whose merits were at least debatable; it would bring on another highly dangerous quarrel with the U.S.S.R., involving a threat to the continued functioning of the U.N.; and it would put a heavy strain on the solidarity of the Western governments. In these circumstances the U.S. delegation exerted itself to limit the impact of the Chinese resolution in a way that recalled the efforts of smaller powers at times when the United States had been in the forefront of the battle. Although it voted to include the Chinese item on the agenda, no great effort was made to secure it a high priority. When the Political Committee finally reached it at the end of November, pressure for adjournment of the Assembly was already beginning and there was little prospect that the issue would be fully debated. Vyshinsky made this a

certainty by announcing that the Soviet Union would not participate in the debate and would not consider itself bound by any decision the U.N. might take. The other Soviet bloc delegates likewise refrained from speaking.

The real problem before the non-Communist delegations was to find a formula that would save the face of the Assembly without committing it to another head-on conflict with the Soviet bloc. Only two delegations, those of Chile and El Salvador, spoke in favor of Dr. Tsiang's resolution. A large majority preferred to await the compromise resolution which the United States introduced jointly with Australia, Mexico, Pakistan, and the Philippines and which the Assembly eventually adopted on December 8 by a vote of 45 to 5, with only the Soviet bloc in opposition.

Euphemistically entitled "Promotion of the Stability of International Relations in the Far East," this resolution (No. 291) avoided any embarrassing reference to the U.S.S.R. or the issue of diplomatic recognition. The problem of governmental relationships with China, said Dr. Jessup of the U.S. delegation, was a matter for determination by individual governments; the problem of the Assembly was to set standards for applying the principles of the U.N. Charter in these relationships. Thus the object of the five-power resolution was to recall the applicable provisions of the Charter and urge all states to be guided by them. Specifically, the resolution called on all states to respect China's independence and its right to a freely chosen government independent of foreign control; to respect existing treaties relating to China; and to refrain from seeking spheres of influence or special rights or privileges in China and from trying to create foreign-controlled regimes in Chinese territory.

From the standpoint of Dr. Tsiang, this resolution was unobjectionable but wholly inadequate. Desperately playing for time, certain that his own resolution would be defeated, he eventually announced his support of a third proposal, sponsored by Cuba, Ecuador, and Peru, which would refer his charges against the U.S.S.R. to the Interim Committee for con-

tinuous study and report to the next session. This proposal was not purely evasive in its implications, since by deferring any decision on the merits of the case it would tend to discourage those member governments that might be inclined to recognize the Chinese Communists before the next session. On the other hand, it gave the Interim Committee no authority to consider future developments, and thus was unacceptable to the United States as well as the United Kingdom. After various amendments it was approved in committee by only 23 votes to 19. As a result of further amendment in the plenary session the United States decided to support the resolution and other non-Communist delegations were induced to drop their opposition, with the result that the final vote on December 8 was 32 in favor, 5 opposed, and 17 abstentions.[30] Among the apparent abstainers were Burma, India, and the United Kingdom, all of which were to announce their recognition of the Chinese People's Republic within a month.

By voting against the two resolutions but remaining aloof from the debate, the Soviet bloc spared the Assembly a last round of verbal assaults on the Nationalist delegation. No Chinese Communist delegation had put in an appearance, and no showdown had occurred on the question of actually ousting the Nationalist representatives. There would be time enough for the U.S.S.R. to force that issue after a few more governments had recognized the Peiping regime. The Security Council, where China was slated to assume the presidency in January, might be a good place to bring the matter to a head. Meanwhile the U.S.S.R. could rest content with the spreading disunity over China that was already evident in the non-Communist world.

In other respects the U.S.S.R. had no particular reason to be

[30] In its final version the resolution (No. 292) linked the original Nationalist charges with the five-power resolution (No. 291). By its terms the Assembly referred the Nationalist charges, *together with any charges of violations of the principles contained in the five-power resolution,* to the Interim Committee for continuous examination and study. The Interim Committee was to report back to the next session of the Assembly with recommendations, or if necessary to bring the matter to the attention of the Secretary-General for reference to the Security Council.

gratified at the results of the session. The Assembly's record was "not satisfactory," said Vyshinsky curtly as he boarded the steamer on December 6; and Malik made the same point at greater length at an otherwise harmonious closing ceremony four days later. No previous session had seen the isolation of the Soviet bloc so glaringly in evidence. On virtually every major political issue it had been overwhelmingly defeated; with the defection of Yugoslavia its assured vote had dwindled from 6 to 5. Even its position in the Security Council had been impaired, morally if not technically, by the election of Yugoslavia in preference to the supine Czechoslovakia.

By the simple expedient of refusing to comply with the will of the majority, the Soviet Union could still prevent the United Nations from taking effective action on matters of interest to it. As the Assembly continued to broaden its range of activity, however, Soviet obstruction was being forced more and more into a pattern that could be justified only through unilateral and entirely arbitrary interpretation of the Charter. Whether the U.S.S.R.'s noncooperation took the form of dogged insistence on its technical rights or mere disregard for the Assembly's decisions, it could not be blind to the fact that it had forfeited the sympathies of every U.N. member government that it did not directly control. The utter defeat of its "peace" resolution and the record vote for the Anglo-American counterdraft illuminated the gulf that divided the U.S.S.R. from 53 non-Communist nations.

The U.S. delegation had not consciously sought to widen this gulf. While holding firmly to all of its basic positions, it had opened no new battlefronts against the U.S.S.R., apart from the single important decision to support Yugoslavia's candidacy for the Security Council. On the contrary, a major U.S. objective throughout the session had been to promote wider use of the techniques of consultation and conciliation, in dealing with the Soviet bloc as well as with friendlier delegations. This effort had produced its most striking results in the resolution on the "Essentials of Peace," but its influence was also discernable in the October agreement on consultation by the Big Five in

the Security Council, and in the consultations of the six permanent members of the Atomic Energy Commission. If such discussions produced few agreements, they at least helped to identify the areas where no agreement was possible.

Nor did the Soviet bloc states invariably oppose the will of the majority on other matters. On two difficult problems—the disposition of the former Italian colonies, on which they abstained, and the internationalization of Jerusalem, on which they voted with the majority—the Assembly reached definite decisions whose wisdom might be questioned but whose implementation depended on other factors than the East-West conflict. In a third important matter, the program of technical assistance to underdeveloped areas, the absence of Soviet opposition had enabled the Assembly to indulge in a rare display of unanimity.

Such signs of a Soviet willingness to compromise in nonessential matters encouraged other delegates to hope that no deadlock need prove permanently insurmountable. So long as the Soviet Union continued even its limited participation in the U.N., the world organization would have an incontestable value as a device for keeping the chief members of the human family in some contact with each other. Compared with the exalted purposes set forth in the Charter, this was a modest function. Its importance could be expressed only in terms of what could happen if the contact were broken.

CHAPTER TEN

FOR THE ADVANCEMENT OF ALL PEOPLES

THE URGENCY and drama of the political questions with which the United Nations was constantly dealing tended to divert attention from its more numerous activities in the economic, social, and cultural fields. Yet these activities loomed larger, in terms of effort, cost, and long-range significance, than many of the transitory issues that came under the heading of "maintenance of world peace and security." Their number and complexity, though a striking demonstration of faith in the United Nations, sometimes acted as a bar to public appreciation and genuine achievement. At its fourth session the General Assembly adopted unanimously a British-Brazilian resolution on the "problem of the proliferation and overlapping of the programmes of the United Nations and of the specialized agencies" (No. 310) in which it deprecated the tendency to multiply new projects in a way that dispersed effort, reduced effectiveness, and unduly strained the resources of member nations. The intrinsic value of U.N. activity outside the political field was, however, generally acknowledged. Most of the optimistic notes in General Romulo's closing address to the Assembly on December 10 had reference to its accomplishments with respect to legal, social, and economic matters.

The importance which the founders of the United Nations had attached to the "human" side of international cooperation was deeply imprinted in the language of the Charter. It was reflected in the tripartite structure of Security Council, Trusteeship Council, and Economic and Social Council, and in the many important functions carried on by the specialized agencies in such fields as labor, health, food and agriculture, transport and communications, economics and finance, and education and cul-

ture. In relation to dependent peoples, their welfare and preparation for self-government, the U.N. exercised responsibilities whose importance demands separate treatment in another chapter.[1] The present discussion is focused primarily on the many other phases of U.N. activity that were broadly directed toward promoting what the Charter called "social progress and better standards of life in larger freedom." The brief treatment which alone is possible may convey some sense of their diversity and importance,[2] even though it can do nothing like justice to any single endeavor and cannot pursue their history beyond the close of the General Assembly session in December 1949.

Patronizing critics of the old League of Nations often remarked that although it failed to keep the peace it had done valuable work in such fields as narcotics control and the gathering of statistics. The more ambitious efforts of the U.N. had behind them a stronger popular impetus but were conditioned and, in some respects, limited by a factor the League had not known in anything like the same degree. The ideological, political, and temperamental differences that pervaded the U.N. exerted a vital influence on every facet of its work. In addition to the omnipresent East-West tension, U.N. activities were strongly affected by the differing needs and aims of "advanced" and "backward" nations, of colonial and anticolonial governments, and of developed and underdeveloped countries.

In economic and social affairs the U.S.S.R. possessed no veto power, and the impact of the East-West struggle was further mitigated by reason of the fact that the Soviet Union and its satellites did not participate uniformly in the work of the U.N. specialized agencies: the U.S.S.R. itself belonged only to the World Health Organization (until its withdrawal in 1949), the International Telecommunications Union, and the Universal Postal Union. Agreement was easier to secure in the absence of

[1] Cf. chapter XI, below.

[2] For a full descriptive list see *Catalogue of Economic and Social Projects No. 1*, U.N. publication 1949.II.D.1 (Lake Success, 1949). Additional details will be found in *United States Participation in the United Nations: Report by the President to the Congress for the year 1949* (Department of State Publication 3765, Washington, 1950), 101–144.

the Soviet bloc, but the results were not so widely applicable. Where Eastern representatives did participate, disagreements were practically guaranteed by the all-embracing character of the Marxist philosophy they professed, which demanded a quite special approach to economic and social relations as the decisive factor in all human affairs. Outnumbered as always, the Soviet bloc states frequently allowed the majority to have its way but seldom missed an opportunity for speechmaking in furtherance of their special ideology and their political warfare against the West.

The Soviet bloc was not alone in carrying politics into the economic and social field. Every government had its own approach to the problems of human organization and its own special interests over and above the concern for human welfare that presumably animated all signatories of the Charter. The United States, one of the U.N.'s warmest supporters, was no exception to this rule. In matters involving international law, for instance, U.S. representatives had to remember that the American public and particularly the Senate, with its responsibility for treaty ratification, were as yet in the early stages of a movement away from an isolationist mentality. In matters requiring financial expenditures—and there were few that did not involve heavy demands on the U.N.'s wealthiest member state—they had to bear in mind the many other claims on the taxpayer's dollar. In matters involving human rights and the protection of minorities, they had to anticipate strenuous criticism from other nations with respect to the social and legal position of various groups of American citizens. In advocating the free interchange of information and ideas, they could not be guided solely by the abstract merits of the idea but had to keep one eye on the world-wide economic stake of American press, radio and film interests and the other on certain restrictive policies of their own government, which frequently excluded foreign journalists and intellectuals from the United States on grounds of Communist affiliation or "undesirability."

With such varied limitations on its effectiveness, it was not remarkable that the U.N. in its fifth year could point to more

work in progress than completed undertakings in this general area. Its two most conspicuous achievements were the Universal Declaration of Human Rights adopted in 1948 by the Paris Assembly, and the Convention on the Prevention and Punishment of the Crime of Genocide (group extermination) adopted at the same session and signed by 43 governments during the ensuing year.[3] Still in draft form were a declaration on the rights and duties of states, an international covenant on human rights, and conventions on news transmission and freedom of information. These documents represented many months of work but involved important practical and ideological differences which left them still a good way from adoption.[4]

The efficacy of U.N. activity, however, could not be adequately measured in terms of international conventions or any other single standard. The basic aim of its endeavors was to help create conditions that would lessen the incitements to human destructiveness and aid in the realization of mankind's constructive potentialities. Progress in this direction depended mainly on steady unspectacular effort, on many fronts and by many methods. In this broad endeavor the United Nations did not aspire to take over the responsibilities of national governments. The most it could do was to provide the coordination and the technical aids needed to give governmental action maximum effectiveness. The interdependence of U.N. and governmental action was evident throughout the whole range of U.N. activity. It was especially conspicuous in the broadened plan for technical assistance to economically underdeveloped countries which, in close association with President Truman's Point Four

[3] Resolutions No. 217, December 10, and No. 260, December 9, 1948; cf. *The United States in World Affairs, 1948–1949*, 435-436. Five governments, out of the 20 needed to bring the genocide convention into force, deposited ratifications during the year. The U.S. Senate received the convention on June 16, 1949 but took no step toward ratification at the 1949 session.

[4] Human rights and freedom of information are discussed in section 1, below. The Declaration on the Rights and Duties of States, drafted by expert members of the International Law Commission, was commended by the Fourth Assembly and circulated to member governments for comments and suggestions (text in Resolution No. 375, December 6, 1949). The U.S.S.R. pronounced the declaration "inadequate" but did not oppose it.

program, was to assume first place among U.N. undertakings in the economic and social field during the year 1949.

1. Human Rights and Fundamental Freedoms

The protection and extension of "human rights and fundamental freedoms" had been a matter of prime concern to the United Nations since its inception. On various occasions the members of the world organization had solemnly affirmed their attachment to the principle of equal rights and freedom for all, "without distinction as to race, sex, language, or religion." No principle seemed more fundamental to the whole conception of the U.N.; yet none was subject to such varied interpretation in the many instances in which it came up for concrete interpretation or application. Here, if anywhere, the cleavage between East and West revealed itself in its full extent. Eastern and Western views on the meaning of human rights and freedoms were diametrically opposed and, in practice, all but irreconcilable.

For the West, the essential objective was the protection of the individual personality, by legal or customary safeguards, against oppression or encroachment by other individuals or groups. The Communist states, caring but little for the individual personality, saw the problem in wholly different terms. Denials of human rights and fundamental freedoms, in the Marxist view, were the inevitable result of the exploitation of one economic class by another; the problem would be solved only when the power of the oppressing classes was broken and the most numerous class—the mass of workers and peasants—was freed from feudal, capitalist, and colonial exploitation. From this premise the Eastern governments went on to argue that their own system, totally indifferent though it was to the claims of the individual, was actually the only one in which human rights and fundamental freedoms were effectually safeguarded since it was the only one in which class oppression had been eliminated. Secure within the bastions of their own ideology, Soviet bloc spokesmen rejected all criticism of their own arrangements and vigorously attacked the West, not only for

specific abuses but for the whole system of social organization which, in their view, was responsible for them.

This radical divergence appeared in many forms, both on the level of abstract principle and on that of practical action. It permeated the work of the U.N. Commission on Human Rights, which had drafted the Universal Declaration of Human Rights and had gone on from there to complete a draft International Covenant on Human Rights for submission to the Assembly in 1950.[5] Mrs. Franklin D. Roosevelt, as chairman of the Human Rights Commission, refused at all times to allow the group to be used as a propaganda forum. Nevertheless East-West differences were kept constantly to the fore in its deliberations, chiefly by the efforts of the Soviet delegate to circumscribe the protection of civil and political rights and include guarantees of so-called economic and social rights which the U.S. delegation was not prepared to accept. Soviet and Ukrainian opposition did not, however, extend to adverse votes on basic matters, but normally took the milder form of abstention.

Not only the theories but also the practices of different national communities with respect to human rights and freedoms came before the United Nations in various connections. The states of the Soviet bloc were the principal but not the only objects of criticism in U.N. councils. In the spring session of 1949 the Assembly adopted a Chilean resolution (No. 285) condemning the Soviet practice of preventing Soviet wives of foreign diplomats and other foreign citizens from leaving the U.S.S.R. with their husbands or joining them abroad. Resolutions adopted at both the spring and fall sessions dealt with political repression in Bulgaria, Hungary, and Rumania.[6] Involuntary transfers of population within the U.S.S.R. received some attention at the autumn session as a result of Greek charges growing out of the reported deportation of 17,000

[5] This second document, unlike the Universal Declaration, was intended to have binding legal force on the nations that ratified it. For text and commentary cf. James Simsarian, "Human Rights: Draft Covenant Revised at Fifth Session of Commission on Human Rights," *Department of State Bulletin,* XXI, July 11, 1949, 3-12.

[6] Cf. above, pp. 249-250, 271-272.

Greek nationals and persons of Greek origin from the Soviet Caucasus to the remote fastnesses of Kazakhistan. Such discussions and resolutions provided an outlet for the indignation of the non-Soviet world, but could not alter the practices that prevailed within the Soviet bloc. The accused states, moreover, never lacked materials for counterattack, based on Greek internal policies, American lynchings, or some other vulnerable spot in their assailants' armor. The difficult status of such a group as the Indian minority in South Africa[7] made it impossible to claim that the non-Soviet governments came into court with entirely clean hands.

Similar differences occurred in the related field of "freedom of information," another concept that greatly preoccupied the United Nations but had opposite meanings for East and West. Differing ideas about the role of the individual mind in human affairs typified the radical opposition of the two camps; but it was characteristic of the intellectual temper of the time that the controversy avoided philosophical principles and revolved around such essentially subordinate issues as the regulation of the press and other media of communication.

The Western attitude was summed up in Article 19 of the Universal Declaration of Human Rights: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers." This ideal might be imperfectly realized in the West; in the Soviet world it was not even recognized. There, freedom of opinion and expression was defined as freedom from contamination by the capitalist press, radio, and films—in other words, freedom to concentrate on the unvaryingly "democratic" thoughts inculcated by the publicly

[7] The question of discrimination against people of Indian origin in the Union of South Africa came before the General Assembly for the third time at the spring session of 1949, as the result of a complaint by India following serious outbreaks of violence between Indians and Africans in January. On May 14 the Assembly adopted a resolution (No. 265) inviting India, Pakistan, and South Africa to hold a round-table conference on the problem. The vote was 47-1, with South Africa opposing the resolution on the ground that it involved intervention in a domestic matter.

owned mass media of one's own country. Such freedom did not give the individual citizen the right to inform himself independently about conditions in his own or other countries; still less did it give foreigners the right to inform themselves or report independently on conditions within the Soviet sphere.[8]

As we have seen, this Soviet insistence on monopolizing the thoughts of the peoples under Soviet control frustrated all efforts to promote a genuine intellectual and cultural exchange between East and West.[9] Apart from the leftist "peace congresses" held in various world capitals during 1949, there was virtually no opportunity for Communist and Western intellectuals to meet; and these affairs were in no sense occasions for intellectual exchange on equal terms, since the few Western spokesmen who chose or were permitted to appear could certainly not be termed representative of Western intellectual life.

Compared to the almost complete loss of intellectual contact between the Communist and non-Communist worlds, ideological schisms within the Western family itself seemed of small account. Yet it was these latter, even more than Soviet obstruction, that continued to frustrate all efforts by members of the U.N. to define the limits within which "freedom of information" might be safely encouraged. In this field the advocates of freedom were definitely in the minority.

Just as the strong competitive position of the American economy enabled the United States to become the leading advocate of nondiscrimination in world trade, the strength and efficiency of the American press, radio and film industries helped make this country the foremost proponent of unrestricted, world-wide freedom in the gathering, transmission, and dissemination of

[8] The antithesis as seen through Soviet eyes was succinctly formulated by Semyon K. Tsarapkin in the Assembly's Third (Social) Committee on April 25, 1949: "Mr. Tsarapkin . . . noted that there were two different concepts of freedom of information: according to the concept defended by the United States, the United Kingdom and a certain number of other countries, freedom of information meant complete and uncontrolled freedom for the monopolies. According to the second concept, on the other hand, information should be a source of accurate and objective news for the people in the interest of peace and the fight against warmongers, and should not be designed to serve commercial purposes." (The text is that of the Assembly's *Official Records.*)

[9] Cf. above, pp. 27-28.

news. The enthusiasm of leaders in these industries was the most powerful single motive force behind the work of the U.N. Conference on Freedom of Information which met at Geneva in the spring of 1948. Among the accomplishments of this gathering were draft international conventions, prepared for submission to the United Nations and eventually to national governments, dealing both with the general principles of freedom of information and with the practice of international journalism.

As expressions of the "Western" concept, these conventions were opposed by the Soviet bloc representatives as a matter of course. Rather to the surprise of the U.S. delegates, however, many nations outside the Soviet camp also proved to favor some degree of government control over informational and journalistic activities.[10] Both at the Geneva conference and in subsequent discussions in the Economic and Social Council, the American position was constantly threatened from two sides: (1) by the Soviet bloc, which made unremitting efforts to mark the conventions with its own ideological and political imprint; and (2) by a great number of non-Communist governments which fought tenaciously to limit the guarantees of complete journalistic freedom and to retain some rights to censor news dispatches, control journalistic operations, and provide for some form of official "correction" of prejudicial news reports. India, Lebanon, Mexico, and Chile were prominent among the exponents of this outlook, while France tended to steer a middle course.

At its 1949 spring session the General Assembly finally approved a draft Convention on the International Transmission of News and the Right of Correction. This document embodied various basic guarantees for information agencies and correspondents—including an important provision barring peacetime

[10] "Current national concepts of freedom of the press or freedom of information," wrote one American representative, were "ranged in a continuous ideological spectrum . . . bounded by the U.S.S.R. at one extreme and by the United States at the other, with every other country ranged between." Samuel DePalma, "Freedom of the Press—An International Issue," *Department of State Bulletin*, XXI, November 14, 1949, 740.

censorship except for reasons of "national defense"—and also provided the contracting governments with a means for counteracting injurious reports by making known their version of the facts. At the same time the Assembly stipulated that the convention should not be opened for signature until there had been time to take action on the closely related draft Convention on Freedom of Information.[11] This second convention, however, which dealt not with technical arrangements but with basic principles,[12] was subject to even wider disagreements. Originally proposed by the United Kingdom, it had been seized upon by some of the smaller governments as a vehicle for restrictive provisions that had ultimately been excluded from the first convention. It was at least arguable that adoption in its present form would result in further restricting rather than promoting the flow of information.

In view of the scant prospect of agreement at the Assembly's fall session, the U.S., U.K., and Netherlands delegations proposed a further postponement but asked that the newsgathering convention be opened for signature immediately. In addition, they suggested that the Human Rights Commission should be asked to include "adequate provisions on freedom of information" in the draft International Covenant on Human Rights on which it was working. This expedient was unacceptable to a large number of governments which refused to have one convention without the other. On October 20 the Assembly endorsed the proposal relating to the Human Rights Commission but left in effect its previous ban on the signature of the newsgathering convention.[13]

The results of two years' arduous work were thus shelved with no positive result. The plain fact that American representatives were forced to recognize was that the rest of the

[11] General Assembly Resolution No. 277, May 13, 1949, approved by a vote of 33 to 6 (Soviet bloc) with 13 abstentions. The text of the convention is appended to the resolution.

[12] Text in U.N. Document A/C.3/518 (General Assembly, *Official Records, Fourth Session: Summary Records of the Third Committee,* Annex, 2-6).

[13] Resolution No. 313, adopted by 38 to 10 with 10 abstentions. The Assembly also adopted without dissent a resolution (No. 314) urging member states to give news personnel free access and facilities for reporting U.N. activities.

world, with its less highly developed news services, its widely varying political forms, its bitter local quarrels, and its widespread social, racial, and colonial antagonisms, was unwilling to open itself unconditionally to foreign newsmen of many nationalities and of unequal competence and integrity. When Vyshinsky told a U.N. committee that the U.S.S.R. would not open a door, a window, or so much as a pane of glass to foreign "intelligence agents" masquerading as journalists,[14] he was merely voicing in pathological form a mistrust of journalism that was widespread in Asia, in Latin America, and even in Western Europe.

Differences concerning another category of rights, those of labor, occasioned numerous clashes that reflected the new importance of organized labor in the postwar world. Here the controversy was fed from sources that were at least nominally nongovernmental. Through their consultative relationship to the Economic and Social Council, the great national and international labor federations were able to bring their influence to bear on the governmental plane and utilize the world body as a sounding board for their political and social views. The manner in which this privilege was utilized reflected the deep cleavage between pro- and anti-Communist tendencies in the international labor movement.[15] Both sides appeared to look on the U.N. as an important front in the ideological battle for the allegiance of world labor.

Variants of the familiar East-West ideological differences were conspicuous in each of the labor questions that were brought before the U.N., whether by the American Federation of Labor (AFL) as the leading critic of Soviet and satellite labor policies or by the World Federation of Trade Unions (WFTU) as leading exponent of the Communist and Eastern outlook. The AFL, whose demands for an investigation of forced labor practices in the Soviet bloc states were vigorously debated at two ses-

[14] Statement to the General Assembly's Political and Security Committee, November 16, as reported in *New York Times*, November 17, 1949.

[15] See *The United States in World Affairs, 1948–1949*, 195-197, and above, p. 153.

sions of the Economic and Social Council,[16] was the exponent of the classical trade-union philosophy which saw labor's main protection in the right to strike, to organize in voluntary trade unions, and to engage in collective bargaining. AFL and U.S. Government spokesmen could easily show that even in those Soviet bloc states where such rights had formerly been recognized they were now no more than a memory. According to the doctrine espoused by the WFTU and the Eastern governments, however, such guarantees were pertinent to the role of labor in a capitalist society but had little meaning under a socialist system, where the workers already—theoretically—controlled the machinery of the state. Capitalist countries where these rights were not fully implemented were fair game for attack; but labor's real protection lay in having a government that defended its interests, preferably one founded on the elimination of "capitalist exploitation."

This line of thought inspired the various propaganda moves by which the WFTU and the Communist governments endeavored to put themselves forward as the champions of world labor interests. Such was the nature of WFTU's repeated attacks in the Economic and Social Council on alleged infringements of trade-union rights in selected countries outside the Iron Curtain; of its recommendation of far-reaching governmental measures for the elimination of unemployment, "especially in capitalist countries," which were sponsored by Czechoslovakia and rejected successively by the Economic and Social Council and the General Assembly;[17] and of a Polish resolu-

[16] The U.S.S.R., which invariably resisted international investigations into its affairs, rejected the idea of an on-the-spot inquiry and urged a more limited investigation by a world-wide trade-union committee which would confine itself to examining official documents. At the Eighth Session of ECOSOC in February 1949 the Secretary-General was directed to ask individual governments how far they would cooperate in "an impartial inquiry into the extent of forced labour in their countries." At the Ninth Session in the summer of 1949 the U.S. continued to press for an investigating commission, but yielded to the majority view that the replies thus far received by the Secretary-General were not sufficiently encouraging and that the latter should be asked to renew his inquiries. See ECOSOC Resolution No. 195, March 7; report of the Secretary-General, in U.N. Documents E/1419, July 16, and E/1419/Add. 1, August 6; and ECOSOC Resolution No. 237, August 5, 1949.

[17] U.N. Document A/C.2/L.16 (General Assembly, *Official Records, Fourth*

tion, which likewise failed of adoption by the Assembly, condemning the discriminations allegedly practiced by Western governments against immigrant labor in general and refugee labor in particular.[18]

Western spokesmen were not prepared to claim that all Communist criticism of non-Communist labor practices was entirely devoid of merit, even though it was usually put forward in a challenging, propagandistic form that made cool discussion difficult. It was possible to suppose that Eastern delegates might occasionally be sincere believers in theories—on the rights of labor and on human rights in general—that often seemed to fly in the face of elementary reality. The one thing that could not be overlooked was the systematic way in which all Eastern actions in this field were subordinated to the aims of Soviet political warfare. "The memoranda before us," as one American delegate said, "may contain many statements of fact. . . . The motivation, however, is plain. These allegations are motivated by Communist considerations for Communist objectives. They do not originate in respect for human freedom or in love for social justice. . . ." [19]

2. *Relief of Distress*

Developments in the field of human rights and freedoms might be summed up in terms of a conflict between principles and politics. In virtually every instance the pursuit of some general international ideal was obstructed by the influence of discordant national aims and ideologies, of which the over-all East-West cleavage was the dominant but by no means the only

Session: Summary Records of the Second Committee, Annex, 39). Instead the Assembly adopted, 41-5, an Australian resolution (No. 308, November 25, 1949) emphasizing the importance of national measures to promote and maintain full employment.

[18] U.N. Document A/C.3/524 (General Assembly, *Official Records, Fourth Session: Summary Records of the Third Committee,* Annex, 8). Instead the Assembly adopted, 37-6, a British resolution (No. 315, November 17, 1949) asking the International Labor Organization to exert itself to end discriminations against immigrant and refugee labor.

[19] Statement of Leroy D. Stinebower in the Economic and Social Council, March 8, 1949, on the WFTU memorandum on alleged infringements of trade-union rights.

example. It would, however, be erroneous to suppose that political preoccupations were equally operative in all spheres of U.N. activity. The specialized agencies, in which Soviet bloc participation was irregular and tending to diminish,[20] quietly carried on a variety of constructive labors in their respective technical fields. Within the U.N. itself a matter occasionally arose—a proposal to investigate the problem of slavery in the modern world, or a convention to suppress the white slave traffic—with which the member governments were content to deal primarily on its own merits.[21]

To at least a minor degree, the same restraint was present in U.N. efforts to relieve temporary conditions of distress arising out of World War II and later calamities. The success of these endeavors depended less on political concessions than on the mobilization of technical skills and the generosity of governments in a position to help. Cost was a major factor which combined with humanitarian interest to place the United States in the center of these activities and the controversies that grew out of them. Since the United States normally bore a large part of the financial burden of U.N. relief operations, it had more incentive than some other governments to limit their scope and duration. The amount of distress in the world being practically boundless, the United States was reluctant to see large-scale international relief become a permanent U.N. responsibility. The United Nations, in the American view, had been obligated to take action in various emergency situations of the early postwar years, but should leave long-range needs to be dealt with by other means and should concentrate on technical advice and assistance rather than direct relief. This consideration carried special weight in determining the American attitude toward the

[20] The major development of 1949 in this respect was the withdrawal of the U.S.S.R., the Ukraine, Byelorussia, and Bulgaria from the World Health Organization.

[21] An ECOSOC study of the slavery problem was requested by General Assembly Resolution No. 278, May 16, 1949; a Draft Convention for the Suppression of Traffic in Persons and of the Exploitation of the Prostitution of Others was approved by General Assembly Resolution No. 317, December 2, 1949. The United States announced that it could not adhere to this convention because it involved matters within the jurisdiction of the several States.

International Children's Emergency Fund (UNICEF), the International Refugee Organization (IRO), and the problem of Palestine refugees.

The International Children's Emergency Fund, set up in 1946 primarily to assist in meeting the urgent needs of children and adolescents in countries that had been victims of aggression, enjoyed the distinction of being one of the few international agencies that continued to operate on both sides of the Iron Curtain. Financed by residual UNRRA funds and by governmental and private contributions, the organization had supplied supplementary rations, medicines, and clothing to millions of children and expectant mothers in a dozen European countries and by 1949 was extending its operation to wide areas of the Middle and Far East and Latin America. About one-half of UNICEF's total resources came from the United States, under a matching formula whereby $2.57 of U.S. funds was made available for every dollar contributed by other governments. Some $70.7 million out of a total congressional authorization of $100 million had been drawn from this source by the autumn of 1949.

As emergency conditions subsided, attention focused on the possibility of replacing UNICEF with some new arrangement for dealing with the continuing needs of children on a more permanent basis. In extending the availability of U.S. funds until June 30, 1950, Congress had expressed the intention that U.S. participation in UNICEF should cease on that date.[22] During the Assembly's fall session the United States made some attempt to hasten the transition from an emergency to a long-range program, with a shift of emphasis toward technical aid to governments, accompanied by supplies for effective demonstration projects. Many governments that were benefiting directly from UNICEF's operations took a different view, however, and the laudatory resolution that the Assembly adopted on December 2 (No. 318) carefully skirted the question of a liquidation date. Nevertheless Mrs. Roosevelt, addressing the plenary session before the final vote, left the delegates in little doubt that

[22] Public Law 170, 81st Congress, July 14, 1949.

the United States would continue to regard UNICEF as an emergency operation and did not wish to see it made permanent.

The question of a termination date and liquidation of unfinished business was also uppermost in the affairs of the International Refugee Organization (IRO), the agency charged with making arrangements for the settlement of refugees and displaced persons made homeless by the recent European upheaval. Between July 1, 1947 and November 30, 1949, IRO had succeeded in repatriating or resettling altogether some 670,000 persons.[23] Despite the setback administered by the U.S. Congress in failing to amend the Displaced Persons Act at its 1949 session, IRO officials estimated that another 300,000 refugees would be resettled by mid-1950, leaving a residue of some 292,000 registered refugees still unprovided for. At least 50,000 and possibly as many as 150,000 of these would be so-called "hard core" cases who had little hope of resettlement because they failed to meet the physical and other requirements of recipient nations.

The main problem confronting the General Assembly had to do with the legal status of refugees after IRO went out of business early in 1951. Secretary-General Trygve Lie had proposed the establishment of a special U.N. refugee service, headed by a U.N. High Commissioner whose principal job would be to arrange legal protection for refugees and stateless persons who had no government to look after their interests. Three main points of view were expressed in the Assembly's debate. The Soviet bloc, whose leading objective had always been to force the repatriation of fugitives from Eastern European countries, reiterated its familiar criticisms of the way the refugee problem had been handled. France, a country with many refugees and stateless persons in its territory, urged that the proposed High Commissioner's functions be broadly defined and that he be permitted to engage in relief work as well

[23] Of this total the largest single contingent were the 141,048 persons who had entered the U.S., principally under the Displaced Persons Act of 1948 (above, p. 102); Israel came second with 115,512, and Australia third with 99,087. The American share continued to increase as new admissions brought the total closer to the legislative ceiling of 205,000.

as legal protection of refugees. Mrs. Roosevelt, for the United States, deprecated the tendency to involve the U.N. in continuing international relief activities. The term "refugees," she argued, should be strictly defined, and the High Commissioner should secure the approval of the General Assembly before appealing to governments for assistance funds.

French and U.S. views were successfully compromised in a resolution which established a High Commissioner's Office for Refugees as of January 1, 1951; adopted the IRO definition of "refugees," subject to later modification at any time by the General Assembly; and urged all states to cooperate with IRO in finding homes for those refugees who remained on its rolls—including the "hard core," for whose ultimate disposition IRO had allocated $22 million.[24]

The European refugees represented only a small segment of the world's homeless population. Upheavals in other countries, especially in India and Pakistan, in China, Indonesia, and Burma, in Greece and in Palestine, had uprooted many millions more whose needs were no less acute.[25] In most of these instances the burden of refugee care and resettlement fell primarily on local authorities and engaged U.N. attention only incidentally if at all. Only in the case of Palestine had the U.N. been obliged to assume responsibility for the fugitives, numbering some three-quarters of a million, who had flocked to Arab territory at the outset of the war against Israel in 1948 and whose care was quite beyond the capacity of the Arab states.

A special relief program, the United Nations Relief for Palestine Refugees, was put in operation at the beginning of 1949 with a budget of $32 million, half of which was contributed by the United States.[26] Contributions from IRO, UNICEF, and other U.N. bodies, supplemented by the efforts of private relief

[24] Resolution No. 319, December 3, 1949. Israel was expected to receive all of the Jewish "hard core" cases, who, however, numbered only about 5,000.

[25] In April 1950 the president of the International Red Cross estimated the world refugee population at 60-80 million, including some 15 million refugees in Europe who were not under IRO care (*New York Times*, April 6, 1950). According to IRO sources, additional refugees were still leaving Eastern Europe at the rate of 2,500 monthly.

[26] Public Law 25, 81st Congress, March 25, and Public Law 119, June 23, 1949.

agencies, helped to keep the operation precariously afloat until December. On December 8, the Assembly decided to extend it for another three months while a new agency, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, was being established to seek a final solution of the problem (Resolution No. 302). Permanent relief of these unfortunates, the Assembly realized, depended on a solution of the political problem in Palestine and also on measures to improve economic conditions in the Near East generally. Full discussion of the issue, accordingly, must be deferred until the general question of U.N. action in regard to economically underdeveloped areas has been considered.[27]

3. *Assisting Underdeveloped Areas*

International action to promote higher standards of living, full employment, and economic and social progress was a key United Nations objective in which nearly all organs of the U.N. and the specialized agencies felt some concern. "Unless we can hold out to mankind . . . a realistic hope of improved living standards," said James Thorn of New Zealand, president of the Economic and Social Council, on September 6, 1949, "the world will never escape from the shadow of war. Without a sound economic base the peace must necessarily rest on flimsy foundations." The Economic and Social Council (ECOSOC), through its Economic and Employment Commission and its regional commissions for Europe, Latin America, and Asia and the Far East, was constantly engaged in studies of economic conditions and in searching for ways to alleviate particular economic situations. The Secretariat, through its Department of Economic Affairs, compiled valuable analyses of world economic trends, drawing on a wealth of data accumulated by the U.N. and member governments. The periodic meetings of ECOSOC and the General Assembly afforded opportunity for discussing measures to promote full employment and economic stability and other matters of universal concern. Specialists from

[27] Cf. below, pp. 407-409.

many nations exchanged views at such gatherings as the U.N. Scientific Conference on the Conservation and Utilization of Resources which met at Lake Success in the summer of 1949.

A large proportion of the U.N.'s economic work was concerned with the problems of the so-called economically underdeveloped countries which were the home of two-thirds of the world's population. A majority of the U.N. member countries themselves belonged to the "underdeveloped" category, in which popular aspirations toward a better life were largely frustrated by low productivity, inefficient utilization of resources, low per capita income, minimal health and educational standards, and related evils. Even highly industrialized nations like France, Great Britain, Belgium, the Netherlands, and the United States were directly interested in problems of this order because of their responsibilities as administrators of economically underdeveloped colonial areas, dependencies, and trust territories.

Two basic requirements for alleviating the condition of the underdeveloped countries were investment capital and the application of modern scientific technique. Because of the many obstacles to a flow of new investment capital to underdeveloped areas, however, most U.N. activities in this field laid chief emphasis on the element of technical aid. The Secretariat and specialized agencies like the World Health Organization and the Food and Agriculture Organization often provided technical assistance to member governments in connection with specific development problems. A very promising pilot operation was going forward in Haiti, where a joint mission of the U.N. and specialized agencies, organized at the request of the Haitian Government, was conducting a general survey of economic, agricultural, health, and educational conditions as the basis for a comprehensive long-term development plan.[28]

In recognition of the peculiar importance of this phase of

[28] Cf. U.N. Department of Economic Affairs, *Technical Assistance for Economic Development Available through the United Nations and the Specialized Agencies,* U.N. publication 1948.II.B.2 (Lake Success, 1948); *Mission to Haiti: Report of the United Nations Mission of Technical Assistance to the Republic of Haiti,* U.N. publication 1949.II.B.2 (Lake Success, 1949).

U.N. work, the General Assembly adopted two significant resolutions at its Paris session in December 1948. One (No. 198) called on the Economic and Social Council to give "further and urgent consideration" to the whole problem of economic development of underdeveloped countries in all its aspects. The second (No. 200) laid the basis for an expanded U.N. technical assistance program. Lack of expert personnel and lack of technical organization, the Assembly recognized, were among the main factors holding back economic development. As a means toward overcoming those handicaps it authorized the Secretary-General, working with the specialized agencies, to organize international teams of experts to advise governments on their development problems; to arrange for foreign training of experts from the underdeveloped countries, and for visits by experts to the underdeveloped countries to help in the training of local technicians; and to assist the governments in obtaining technical personnel, equipment, supplies, services, and information. The sum of $288,000 was appropriated to finance these activities during 1949.

The same resolution laid down a number of broad principles to govern future U.N. work in the technical assistance field and safeguard both the independence of the underdeveloped countries and the interest of the U.N. in seeing that all funds were intelligently spent. As a fundamental principle, aid was to be made available only on the specific request of a government, which was to decide for itself what kind of assistance it desired and to "perform in advance as much of the work as possible in order to define the nature and the scope of the problem involved." For the protection of the recipient countries, it was duly stipulated that: "The technical assistance furnished shall (i) not be a means of foreign economic and political interference in the internal affairs of the country concerned and shall not be accompanied by any considerations of a political nature; (ii) be given only to or through Governments; (iii) be designed to meet the needs of the country concerned; (iv) be provided, as far as possible, in the form which that country desires; (v) be of high quality and technical competence. . . ."

These resolutions preceded by some six weeks the inaugural address in which President Truman, on January 20, 1949, directed American and world attention to the urgent need of fostering "the improvement and growth of underdeveloped areas." The concept which the President presented in terms of a "bold new program" was directly in line with previous U.N. thinking; the novelty lay in its espousal by the chief executive of the one nation that was preeminently qualified to give it substance. Many factors, economic and political, had combined to give the problems of economic development their character of urgency. The presidential address, by holding out the prospect of action on a large scale, brought their solution more nearly within the realm of practical possibility and gave tremendous impetus to the whole program.

As a direct result of the inaugural address, which emphasized action through the United Nations and the specialized agencies wherever practicable, the underdeveloped areas moved into the foreground of United Nations discussion and planning. A greatly expanded program of technical assistance was worked out by the Secretary-General and approved by the Economic and Social Council and the Assembly. Methods of stimulating investment in underdeveloped areas were explored with fresh energy. The International Bank for Reconstruction and Development, most of whose loans had gone to European countries participating in the Marshall Plan, turned its attention increasingly to developmental needs in other parts of the world. Other specialized agencies readjusted their programs to give greater emphasis to the problems of food production, health and sanitation, labor standards, and education in backward countries. Bodies concerned with trusteeship and non-self-governing territories stressed the relevance of economic development to their long-term mission of preparing dependent peoples for self-government and independence.

A similar quickening of interest was apparent outside the U.N. Several of the "advanced" countries were already at work on long-range developmental efforts in their dependent territories. Among the most noteworthy were the program on which

Great Britain was engaged under the Colonial Development and Welfare Act, and the regional activities of the four-power Caribbean Commission representing the U.S., U.K., France, and the Netherlands. Now France, Belgium, and other Western European countries accelerated plans for the development of their overseas territories, Britain pursued discussions with Egypt, Ethiopia, and Iraq looking toward important developmental efforts in the Nile and Tigris-Euphrates valleys, and independent countries from Iran and Liberia to Brazil turned their attention to comprehensive modernization projects to be carried out with the aid of foreign capital and technical skill.[29]

The common denominator of this varied activity was its dependence on large-scale action by the economically advanced countries and, especially, by the United States. Whether carried out through the United Nations or by other means, most developmental projects would require a considerable measure of outside support—direct participation of foreign engineers, agricultural technicians, and other specialists, and, in many instances, the investment of large amounts of foreign capital. For both sorts of assistance most underdeveloped nations tended to look primarily to this country. In view of the limited resources of the International Bank, investment loans on a large scale could come only from the United States; and the underdeveloped countries tended to resent what they considered past American neglect of their needs. They soon learned, however, that the U.S. Government had no intention of allocating large sums of money for development projects, and differed from them considerably in its analysis of their requirements.

A careful reading of the inaugural address, with its calculated stress on the element of technical "know-how," hardly justified the widespread assumption that a new Marshal Plan was in the making. "The national resources which we can afford to use for the assistance of other peoples are limited," the President had said. It was "our imponderable resources in technical

[29] By early 1950 the total cost of developmental projects actually under way in the overseas territories of ERP countries was estimated at $7 billion. Long-term development plans of 11 Middle Eastern countries added up to an estimated $3.3 billion (*Middle East Journal,* IV, April 1950, 238-239).

knowledge" that he described as "constantly growing and inexhaustible." Technical assistance and capital investment were linked throughout the presidential statement, but always with major emphasis on the former. Instead of offering public loans or grants, the President spoke vaguely of the need to foster capital investment "in cooperation with other nations," of the role of business and "private capital," and of the necessity of balancing "guaranties to the investor" with "guaranties in the interest of the people whose resources and whose labor go into these developments."

This modest approach showed a realistic grasp of the limits of U.S. action at a time when ERP, national defense, and foreign military assistance were putting an unprecedented peacetime strain on the national budget. In calling attention to the potentialities of low-cost methods of raising productivity and living standards, it represented a real contribution to the theory of economic development. These merits, however, had little appeal to the governments of the underdeveloped countries. By and large, the latter were more attracted by big, spectacular projects with high prestige value than by offers of assistance in transforming their economic life from the bottom up.

What primarily interested these governments was not technical aid but large imports of capital equipment. In this respect their outlook paralleled that of business groups in the United States. But whereas the latter were interested only in more attractive opportunities for private investment in underdeveloped countries, the governments in question greatly preferred to have their development financed from U.N. or other public sources rather than by private investors actuated by the profit motive.

That no such bountiful outflow of U.S. funds could be expected under the Point Four program was made crystal clear in the address in which Willard L. Thorp, Assistant Secretary of State for Economic Affairs, expounded American views before the Economic and Social Council at Lake Success on February 25, 1949. The whole tone of Thorp's pronouncement was one to deflate exaggerated hopes and focus attention on what the governments and peoples of the underdeveloped countries, with

a modicum of foreign assistance, could do to help themselves. The U.S. delegate quoted from a report of ECOSOC's own Subcommission on Economic Development, which had stated that "National development must be based primarily on national resources and must come largely from the effort of the people concerned." This, he said, must be fully understood. "The bulk of the effort, the drive, the organization, the planning, and much of the financing must come from the people themselves and from their own governments. . . ." The underdeveloped countries, he pointedly suggested, should forget their grandiose industrialization plans, increase domestic saving, and provide greater incentives for private foreign investment in productive undertakings.

Several delegates from underdeveloped countries represented in ECOSOC expressed due appreciation of the U.S. gesture but indicated that it fell far short of meeting their requirements. Their disappointment found its most eloquent expression in a speech by Dr. Charles Malik of Lebanon on March 1 in which the U.S. position was challenged point by point. Not lack of local enterprise but lack of capital had been the decisive factor in holding back economic development, said Dr. Malik in effect. Private capital, for a variety of reasons, had shown itself unable to do the job. Experts, technicians, and engineers could accomplish little without adequate deliveries of capital equipment. The answer, he suggested, lay in "a comprehensive plan on the governmental level and inspired by the principles of the European Recovery Program. Could not the concept of solidarity which now prevailed among the developed countries and which had motivated the Marshall Plan be extended to a wider community embracing the underdeveloped countries as well?"

Other delegates—notably those of Brazil, Peru, Turkey, and India—displayed equal interest in the investment phase of the problem and, like Dr. Malik, gave more weight to the need of industrialization than the United States seemed inclined to do. Everyone recognized, however, that not much could be done along this line unless the United States would put up the funds. In the end the Council contented itself with adopting a resolu-

tion, submitted by Chile (ECOSOC Resolution No. 179, March 4), asking the Secretary-General to prepare a report on "methods of financing economic development of underdeveloped countries, including methods of stimulating the international flow of capital for this purpose." The resultant document, made public in June, was a useful analysis of possible sources of development capital and obstacles to both governmental and private investment; but it did nothing to alter the factual situation. The authorities consulted had been generally agreed that "a significant increase in the flow of private investments to underdeveloped countries would require substantially greater incentives than now exist." Given the limited amounts of capital available from public sources, there was no alternative to the conclusion that "under-developed countries should finance at least a substantial and, in normal cases, the major part of their economic development needs from domestic sources." [30]

Technical assistance might be less attractive to the underdeveloped countries, but was more likely to be available. It was the hope of the United States, Mr. Thorp had said, "that there will be general agreement to lift the process of technical cooperation to a new dimension." Collaboration with other countries, through the U.N. and the specialized agencies wherever practicable, was an essential part of the broadened program on which his own government was about to embark. Accordingly, he suggested that the Secretary-General prepare "a concrete program for enlarging the activities of the United Nations and the Specialized Agencies in the field of technical assistance for economic development." Other countries, Thorp intimated, would be expected to bear a fair share of the costs: "In order to safeguard the cooperative nature of the enterprise and the international character of the organization sponsoring it, no one country should be expected to assume all or most of the financial burden of the expanded program."

The proposal for action by the Secretary-General was adopted

[30] U.N. Department of Economic Affairs, *Methods of Financing Economic Development in Under-Developed Countries*, U.N. Document E/1333, publication 1949.II.B.4 (Lake Success, 1949), 3, 23.

with relatively little change (ECOSOC Resolution No. 180, March 4), and the Secretariat set to work to compile the bulky document which it released in May under the title of *Technical Assistance for Economic Development: Plan for an expanded co-operative program through the United Nations and the specialized agencies.*[31] Drawn up in consultation with the specialized agencies and member governments, the report presented a synthesis of views on the general problem of technical assistance and a series of detailed proposals for operations by the specialized agencies and the U.N. itself. Noting the size and population of the areas suffering from inadequate development and the magnitude of the lag that needed to be made up, the report affirmed that "there is ample room for a great expansion of technical assistance without affecting the amount of aid given through . . . national channels." As time went on, it added, the ratio of U.N. assistance to national assistance should increase.[32]

The heart of the report was a brief table summarizing the estimated costs of an expanded two-year technical assistance program, based on existing projects and accumulated requests. A total expenditure of slightly over $85 million was proposed —$35.9 million in the first year, and $50.2 million in the second. Roughly 18 percent of this amount would be spent directly by the U.N. and the balance by the specialized agencies, with FAO, WHO, and UNESCO receiving the largest allocations.[33] Specific projects ranged from comprehensive exploratory surveys and agricultural demonstration centers to penicillin distribution and seminars on educational film production techniques. In a supplementary communication the Secretary-General proposed an increase in the United Nations technical assistance budget, in which the specialized agencies did not participate, to $676,000 for 1950.

These recommendations appeared at a moment when U.S. officials were engaged in whittling down their own Point Four

[31] U.N. Document E/1327/Add.1, publication 1949.II.B.1 (Lake Success, 1949).
[32] *Ibid.*, 11.
[33] *Ibid.*, 48.

concept to a point where it would stand some chance of congressional acceptance.[34] The proposed U.N. program struck them as decidedly overambitious, in terms of general practicability as well as specific demands on the U.S. Treasury. When the Economic and Social Council, reassembling at Geneva, took up the report on July 21, Mr. Thorp stated frankly that his government did not believe an "effective and efficient" first-year program of such magnitude could be carried out. What the Secretary-General had presented, he said, was "a list of potential projects, . . . not a finished program." The shortage of technicians and training facilities alone would require a substantial reduction in the initial stages: "It is far easier to send to a foreign country a boatload of wheat than a boatload of technical assistance. Technical assistance must travel in the form of books or people or demonstration equipment." A realistic range of possibilities, Thorp suggested, would be from $15 million to $25 million; he was confident that a minimum of $15 million would be available from member governments (including the United States), and that not more than $25 million could be spent effectively in the first year.

These remarks, which were coupled with other objections of a procedural nature, spelled a fresh disappointment for the underdeveloped countries and led to a renewal of the old argument about the relative virtues of technical assistance and capital investment. Brazil, Chile, India, and Lebanon reiterated the points they had raised in February and March. The Council declined to follow Thorp's suggestion that a committee be set up to develop alternative programs costing $15 million, $20 million, and $25 million; rather than take the responsibility for trimming the Secretary-General's proposals, it elected to put off the whole matter for later consideration by a different body.

In a resolution adopted on August 14-15, the Council approved the expansion of the regular technical assistance budget for 1950 and decided, subject to the approval of the General

[34] Cf. above, pp. 99-100. In the meantime the general U.S. position on the responsibilities of the underdeveloped countries themselves had been reaffirmed by U.S. delegate Isador Lubin at the May meeting of ECOSOC's Economic and Employment Commission.

Assembly, to call a special Technical Assistance Conference to settle the financial aspects of the program. This conference, to include all governments belonging to the U.N. or to an interested specialized agency, would if possible be convened in New York during the autumn session of the General Assembly. Its task would be to ascertain the total amount of contributions available from participating governments during the first year and to allocate the funds among the various U.N. agencies.[35]

This resolution, like most previous ECOSOC decisions on technical assistance, was adopted by a vote of 15 to 0, with 3 abstentions. The abstainers were the U.S.S.R., Byelorussia, and Poland, the three states of the Soviet bloc that were members of ECOSOC. By abstaining they showed their reservations about a course of action they were unwilling to oppose directly. When the program came before the General Assembly in the autumn, the Soviet bloc continued to criticize some of its features but voted uniformly for its adoption.

Soviet spokesmen drew a sharp distinction between the U.N. technical assistance program and the American Point Four concept. The Soviet reaction to President Truman's Point Four address, which presented aid to underdeveloped areas as an integral part of a world-wide anti-Communist program, had been thoroughly hostile. "A program for expansion under a screen of anti-Communism"—"establishment of control by American monopolists over areas of the world market which they have not mastered up to now"—"a bold new program of penetration by the United States into the backward areas"—a scheme of

[35] In the same omnibus resolution (No. 222) ECOSOC included several other decisions and recommendations: (1) it recommended the establishment of two coordinating groups, a Technical Assistance Board (TAB) consisting of the heads of the U.N. and specialized agencies, and a standing Technical Assistance Committee (TAC) consisting of the members of ECOSOC; (2) it recommended the establishment of a special financial account for technical assistance and a provisional allocation of shares among the U.N. and specialized agencies; (3) it laid down a series of guiding principles relating to standards of work and personnel, coordination of effort, etc.; (4) it authorized the Secretary-General to coordinate U.N. activities with those of regional organizations in the same field; (5) it decided to hold—if possible at its next session—a comprehensive discussion of "actions necessary to stimulate capital investments, whether financed from domestic or foreign sources," and requested the Secretary-General to draw up a series of reports as a basis for discussion.

American monopolists to "seize the colonies and underdeveloped areas of the world in toto"—such was the initial Soviet interpretation of Point Four.[36] In later months it was modified only by the introduction of new refinements—e.g., references to an alleged search for new outlets for idle American capital—which fitted in with classical Soviet theories of imperialism even though they bore little relation to contemporary economic fact.

Nevertheless the Kremlin failed to offer serious resistance to the U.N. phase of a program which, however incompletely it met the aspirations of the underdeveloped countries, was addressed to a real and keenly felt need. Perhaps the Politburo regretted its decision to fight the Marshall Plan, which had cost it so much good will in Europe. Perhaps it differed from President Truman on the long-range effects of economic development, and reasoned that they might be rendered as favorable to Communism as to democracy. Without doubt it saw incidental opportunities to promote Soviet interests by encouraging disagreements among the non-Communist nations, and posing as the defender of the underdeveloped countries against the nefarious designs of "predatory American capital."

The Soviet "line" in the United Nations was adroitly shaped to flatter the sentiments of underdeveloped countries and carry forward the general Soviet campaign against American "imperialism." It consisted of a few simply stated principles: (1) Economic development of underdeveloped countries was desirable if it promoted their progress toward national independence. (2) The technical assistance and other programs of the U.N. were completely distinct from the U.S. "Point Four" program, which was inspired solely by selfish "colonial" ambitions. (3) Under no circumstances must economic aid become an entering wedge for the political, economic, or military influence of the "imperialist" powers. (4) The forms of economic development must be governed solely by the underdeveloped countries' own interests; as a means of strengthening their independence they must be permitted to develop their industry, especially heavy

[36] Sergius Yakobson, "Soviet Concepts of Point Four," *Annals of the American Academy of Political and Social Science,* vol. 268, March 1950, 129-130.

industry, as well as agriculture. In their speeches and votes at each successive stage of the discussion, the Soviet bloc delegates threw their support to representatives of underdeveloped countries who were trying to establish many of the same points. In addition, they fought hard to keep the program subject to political controls, and to limit the independent authority of officials of the U.N. and the specialized agencies.

By the time the General Assembly came to debate the technical assistance program at its fall session, the main lines of prospective action were reasonably clear. What remained was to approve ECOSOC's decisions and convene the Technical Assistance Conference to determine the scale of the first-year program. The two weeks of debate in the Assembly's Economic and Financial Committee were mainly an occasion for the reiteration of fixed positions and an opportunity for those states that were not represented in ECOSOC to be heard. All speakers expressed general support of the program. Britain reaffirmed its readiness to make a financial contribution in nonconvertible sterling. The Scandinavian countries offered to receive fellows from the underdeveloped countries for specialized training. The U.S.S.R. and its supporters endorsed the U.N. program and repeated their condemnation of the Truman plan for the "enslavement of the underdeveloped countries by U.S. capital." Yugoslavia ridiculed the alleged altruism of Soviet technical assistance activities in Eastern Europe. Wilson Compton of the United States gave repeated assurance to the underdeveloped countries that his government had no desire to obstruct their progress in any way.

Spokesmen of the many underdeveloped countries did not appear as an organized bloc, but the tenor of their speeches showed how persistent and widespread was the critical attitude with which they had entered the discussion eights months earlier. Concern about possible interference in their affairs under the guise of technical assistance was very great; even a harmless reference by Uruguay to the importance of "coordination" among the various national economies was sharply criticized and eventually withdrawn. Delegate after delegate pointed out

that technical assistance was only a part of the story and dwelt upon the need for stimulating capital investment on a large scale.[37] India and Lebanon, among others, continued to preach the necessity of industrialization.

An unlooked-for diversion was caused by Cuba, whose delegate reopened the old controversy about protection of infant industries which had been intensively debated at the Havana conference in 1947–1948.[38] Pointing out that economic development was influenced by "many aspects of international economic and commercial policy," the Cuban delegation made a strong fight for the principle of protective tariffs as an aid to economic development. Supported by the Soviet bloc and a scattering of underdeveloped countries, the Cuban proposal was sharply resisted by Norway, Canada, the United States, Australia, and Great Britain as an infringement of the liberal trading principles of the ITO Charter. After an amended version of the Cuban resolution had passed the Economic Committee by a majority of one vote, the offending paragraph was deleted, again by one vote, in the plenary session.[39] The remainder of the resolution, calling on ECOSOC to give further attention to "such questions of international economic and commercial policy as may influence the process of development," was approved by 55 to 0.

The two resolutions activating the United Nations technical assistance program were unanimously adopted by the Assembly on November 16. One (No. 304) endorsed ECOSOC's decisions on the expanded program to be carried out through the U.N. and the specialized agencies, and invited all governments "to make as large voluntary contributions as possible to the special account for technical assistance." The second (No. 305) approved the $676,000 regular U.N. technical assistance program for 1950.

[37] This sentiment inspired a Chilean resolution (No. 306), unanimously adopted on November 16, encouraging the Economic and Social Council to pursue its "urgent" studies of the financing problem.

[38] *The United States in World Affairs, 1947–1948,* 266-268.

[39] Resolution No. 307, November 16, 1949. The vote on the objectionable paragraph was 20 in favor, 21 against, and 14 abstentions.

The unanimous votes, coming in the midst of a session at which instances of harmony were rare, encouraged expressions of satisfaction from many quarters. Assembly President Romulo called the technical assistance program "one of the most constructive acts of international statesmanship ever undertaken by the United Nations." Other delegates, encouraged by the absence of Soviet opposition, found reason to praise the "moderate" and "constructive" attitude of the U.S.S.R. on various matters that had come before the Assembly's Economic, Social, and Administrative Committees. Poland's delegate told the Assembly that the experience with technical assistance demonstrated the possibility—given good will—of reaching agreement despite differences of opinion; faithful application of the spirit and letter of the Charter, he declared, was a solid basis for cooperation among U.N. members.

As a concrete undertaking, the technical assistance program still faced various obstacles. Specific projects would have to be devised with care, and a fair and efficient system of priorities developed. The financial arrangements to be worked out at the forthcoming Technical Assistance Conference promised to be intricate and difficult—the more so because of uncertainty about the intentions of the United States, where Congress had meanwhile adjourned without taking any action on the legislation that was intended to make Point Four a reality.[40]

Not for the first time, the United States found itself in the embarrassing position of being unable to keep pace with a movement to which it had given much of the initial impetus. That the larger part of the funds for the expanded program would have to come from the United States was understood on all sides. ECOSOC's decision to hold the Technical Assistance Conference during the Assembly session—"if possible"—had been designed to give Congress time to pass the International Technical Cooperation Act and appropriate the necessary funds. At intervals during the session, U.S. spokesmen had urged the Assembly not to be unduly perturbed at signs of congressional coolness toward the program. Now that Congress had gone

[40] Above, p. 101.

home, however, there was no knowing when the proposed U.S. contribution would become available. There seemed little point in calling a Technical Assistance Conference at which U.S. representatives would be unable to make definite commitments. The matter was quietly postponed in the hope that congressional action would be forthcoming early in 1950.

In the meantime certain problems of underdeveloped areas were due for consideration at the annual conference of the Food and Agriculture Organization, which met in Washington from November 21 to December 6. Besides approving the tentative arrangement under which FAO would receive 29 percent of the U.N. funds initially available for technical assistance, the conference had to take action on the politically delicate issue of the proposed International Commodity Clearing House. This project, developed by a committee of experts and endorsed by FAO Director-General Norris E. Dodd, was of direct interest to underdeveloped countries because they were among those that suffered most heavily from food shortages and nutritional deficiencies which could not be adequately remedied until their own productivity was significantly increased.

The object of the Dodd plan was to promote a better world distribution of food products by creating emergency machinery to move food from surplus to deficit areas. Currency and payments difficulties had accentuated the normal imbalance in the world agricultural picture, posing the threat of large agricultural surpluses in hard-currency countries like the United States and Canada while the needs of soft-currency, deficit-producing areas remained unfilled. Under the American farm price support program, the U.S. Government was already storing wheat and other farm products valued at $1.8 billion. The prospect of continued unmarketable surpluses raised serious economic problems for the producing countries. It had already had an unhealthy impact on the European Recovery Program,[41] and threatened to exert an untoward influence on the whole structure of world trade.

[41] Cf. *The United States in World Affairs, 1948–1949,* 159, 337-338; and above, p. 86.

The function of the proposed International Commodity Clearing House (ICCH) was to get this surplus food to countries that really needed it but could not buy it with their nonconvertible currencies. ICCH, using a capital fund of $5 billion (later reduced to $1 billion) to be contributed by FAO's 58 member governments,[42] would buy food from the surplus countries for dollars and sell to deficit countries either for their own currencies or for dollars at a reduced rate—the assumption being that blocked currencies paid into the fund would eventually become convertible. The scheme was an attractive one, but few governments were ready to accept it without reservations. Great Britain, India, and the Netherlands were among the soft-currency countries which objected to one or another of its specific features. To the United States it was particularly objectionable because—aside from the fact that the proposed U.S. contribution of $475 million exceeded the probable value of surplus commodities that might be disposed of under the plan—it conflicted sharply with the philosophy of the reciprocal trade agreements and the ITO Charter.

President Truman, welcoming the FAO delegates to Washington on November 22, pledged wholehearted American cooperation in seeking "practical and effective" methods to solve the world food distribution problem. Everyone understood that this was a polite rejection of the Dodd plan. Instead of establishing ICCH, the conference set up a 14-nation Committee on Commodity Problems to facilitate consultation between food surplus and food deficit countries. The problem, however, remained, a striking illustration of the gap between world economic needs and the scope of world action to remedy them.

Much the same comment could be made on other U.N. efforts in the economic and social field. The U.N. had proved itself an effective instrumentality for detecting critical problems and clarifying national viewpoints. In some areas highly significant results had been achieved; an instance was the work of tariff

[42] FAO membership increased to 63 during the December conference through the admission of Afghanistan, Indonesia, Israel, Korea, and Sweden.

reduction being carried on under the General Agreement on Tariffs and Trade (GATT).[43] Often, however, ideological and practical differences remained too great to permit positive action. Even in the rare instances when general agreement was achieved, as with the technical assistance program, the agreed measures seemed almost trivial in comparison with the need, and in some instances concealed fundamentally opposed aims.

It might, however, be unrealistic to try to measure the economic and social achievement of the United Nations on so pragmatic a scale. Not impossibly, a more significant record of its endeavors was being traced in the minds and hearts of men the world over—in slowly developing consciousness of the unity of mankind amid diversity, and of the still unrealized potentialities of common endeavor for "the economic and social advancement of all peoples."

[43] See above, pp. 17, 89.

CHAPTER ELEVEN

NEW NATIONS IN THE MAKING

As 1949 drew toward a close, issues involving colonial areas or countries which had until recently been colonial demanded an increasing share of the world's headlines. The disposition of Italy's former colonies in Africa, after four years of unfruitful discussion by the great powers, appeared for the second time as one of the most important items on the General Assembly's agenda. The three-year-old struggle in French Indochina was suddenly projected into the forefront of public consciousness as its wider implications were made clear by the collapse of Nationalist China. Indonesia's independence was about to become a fact as the result of the round-table discussions undertaken at The Hague in August.[1] Increasing attention was being directed to Africa, as a potential arena of racial and nationalist strife and a likely source of dollar savings and earnings to help rectify the unsatisfactory European payments balances—perhaps, even, to serve as the foundation for a drawing together of the European economy. On inside pages of the daily press might be found speculations as to the early formation of a new dominion consisting of the British possessions in the Caribbean.

These developments helped to spotlight a trend which some would rank among the most significant in human history. Since the end of World War II, more than half a billion people have emerged from colonial rule into independent status. India, Pakistan, Burma, Ceylon, Israel, Jordan, Korea, Syria, Lebanon, Indonesia, the Philippines—all these countries had achieved independence by the end of 1949. As the new year dawned, the arrangements granting autonomous status to the three Indochinese states of Vietnam, Laos, and Cambodia were on the

[1] On Indochina and Indonesia, cf. below, pp. 443-448.

verge of ratification. The General Assembly's resolution on the Italian colonies provided for Libyan independence in January 1952 and envisaged independence for Somaliland after ten years of trusteeship.

For the United States these momentous events posed innumerable problems. In many cases the progress of the colonial areas toward independence found this country torn between its traditional commitment to liberation for colonial peoples and its immediate postwar responsibilities to its Western European allies, which still held extensive colonial possessions overseas. To the pressure of the colonial populations themselves was added that of newly enfranchised countries like India and the Philippines, which adopted a strong anticolonial position as soon as they had achieved their independence and a voice in world councils. As the United States again and again found itself confronted with the necessity of throwing its own great influence into the scales, a trend which might under other circumstances have been viewed with unmixed satisfaction became the occasion for much soul-searching and precarious balancing of moral, power, and economic factors. There could be no neutrality: the conflicting pressures were clear-cut, articulate, and often diametrically opposed to each other. Signs of temporizing by the United States were invariably interpreted as hostile by all parties.

The issues at stake involved much more than a simple opposition between the colonial or recently colonial peoples and the colonial powers, with the United States holding the balance. Like every other issue of postwar U.S. policy, the colonial problem was directly intertwined with the over-all East-West antagonism. The Soviet Union, its satellite governments, and Communists throughout the world were unequivocally committed to support of the colonial struggle against European domination. In this struggle they saw a powerful means of weakening the "imperialist" world and extending their own ideological and material sway. If this country's Western European friends were weakened in the process of separation from the colonies; if the productivity and the social and economic fabrics of their over-

seas territories were adversely affected, or even not noticeably improved, because of the strains of conflict and the difficulties of adjustment; or if America's prestige among the peoples concerned were lessened by reason of its role in the proceedings, the obvious beneficiary would be the Soviet Union and the forces of world Communism.

The United States, thus, if it failed to satisfy the reasonable aspirations of the colonial populations, was faced with the real danger of losing to the Communists the affections and loyalty of millions of people for whom the liberation of the Philippines had been a symbol of American support. On the other hand, shaky friendly governments in Western Europe also claimed a right to American support on the colonial front. The necessity for recreating mutually advantageous economic relations between Europe and the colonies pointed to the importance of stability, order, and the application of advanced technology and productive skills—and to many this implied a continuance of Western domination.

The stakes depending on the American attitude were great. At issue were not only the human resources of the vast non-Communist area between the Mediterranean, the Red Sea, and the Philippines, but also the enormous raw material resources, the real and potential productive power, and the strategic waterways and airways which it encompassed. Moreover, the forces that nourished the independence movements of countries in the Middle East, South and Southeast Asia were also operative, in less advanced form, in Africa and among the dependent peoples of the Caribbean. Issues similar to those that confronted American policy in Indonesia and Indochina were being shaped in colonial Africa and perhaps in areas still nearer home. U.S. concern with this developing situation was revealed in the announcement that, for the first time, U.S. consular and diplomatic representatives in Africa would meet in Lourenço Marques early in 1950 to discuss African problems under the chairmanship of Assistant Secretary of State George C. McGhee.

In formulating its postwar policies the United States had proceeded on the general assumption that the best route to full

self-government for colonial peoples lay in temporarily continuing the domination of the European governments—subject, however, to binding commitments on the part of the latter to foster the gradual evolution of the colonial peoples toward full capacity to govern themselves. Such commitments were written into the United Nations Charter. In the case of the 11 U.N. trust territories,[2] more exacting standards were established for the administering authorities because of the international status of the territories, and a special supervisory role was created for the U.N. trusteeship machinery. For all other non-self-governing territories, somewhat less rigorous objectives were stated in the Charter, and the international supervisory function was limited to the right to receive information from the colonial powers concerning conditions in the territories. The keynote was gradualness. The words "progressive development" appear in both the trusteeship provisions and the non-self-governing territories sections of the Charter, which declares it to be the "sacred trust" of the colonial powers and of the administering authorities under the trusteeship system to contribute to the evolutionary development of societies which are viable, politically, economically, and socially.

The theory was and is sound. Both the colonial peoples and the world at large will benefit more from full self-government if the new entities are adequately equipped to exercise their self-governing prerogatives. Conceivably, disastrous results could ensue from the premature granting of self-government to a colony which was not prepared to exercise it responsibly, in the interests of its own people and of world peace and security. But colonial peoples displayed a marked reluctance to go slowly, particularly when the final decision concerning their capacity for self-government remained in outside hands. The postwar revolutionary struggles in Indonesia and Indochina, the history of violence in India, the recurrent outbreaks in other colonial areas were adequate testimony to the impatience of the colonial world.

These conflicting attitudes placed on the U.N. machinery the

[2] Including Somaliland under Italian administration. See map, p. 368.

burden of proving its adequacy as an aid to the kind of evolutionary development which would, at one and the same time, ensure the most favorable conditions for self-government when it was achieved, satisfy the colonial powers that their interests were not being unduly disregarded, and provide assurances to the colonial peoples that their ultimate interests were in fact being served. As the chief architect of the U.N. structure and the most influential member of the United Nations, the United States had a decisive role to play in this process. As the U.S. goes, so often goes the U.N. But, significantly, the United States was perhaps more frequently in the minority on colonial issues than on any other category of questions before the United Nations.

In the four years since San Francisco, substantial progress had been made in defining the responsibilities of the United Nations and the respective roles of the U.N. organs and the administering states in the colonial sphere. Despite the projection into the U.N. of the cleavages between colonial powers and colonial peoples, and between East and West, an imposing body of precedents had been built up and foundations laid for increasingly fruitful exercise of United Nations influence in the future. At the General Assembly session in the fall of 1949, however, there were signs of an intensification of the existing political cleavages, and of the creation of new problems for the United States. Some of the colonial administering governments, particularly Great Britain, France, and Belgium, took stands which presaged a stiffening resistance to the anticolonial leadership of the newly independent Far Eastern countries and the Soviet bloc.

This trend was calculated to increase the embarrassment of the United States in its midway position between the two groups. Despite U.S. efforts to straddle controversial issues, there were indications that the British were already becoming resentful of what they considered American partiality toward the anticolonial camp. From the other side, meanwhile, the complaint was frequently heard that the United States had forsaken the moral leadership in colonial matters which had been expressed

so forcefully in its prewar policy toward the Philippines and in its support of the trusteeship idea at San Francisco.

Aside from its effect on the United States, this widening cleavage raised questions about the future operation of the U.N. machinery in view of the growing unwillingness of the colonial powers to cooperate in implementing the majority view expressed in U.N. organs. This, however, was primarily a question for the future. The actual record of the Assembly's fourth session was an unusually full one. A number of noteworthy decisions were taken with respect to the development of the trusteeship system and of a system of supervision for all non-self-governing territories, including those not governed by any trusteeship agreement. Overshadowing all other actions in its immediate significance was the Assembly's resolution on the disposition of the former Italian colonies—a resolution in which the political and strategic interests of the great powers were blended with the wider interest in promoting the advance of new peoples toward nationhood.

1. Prospects for the Italian Colonies

The United Nations fell heir to the baffling problem of the former Italian colonies in Africa—Libya (Tripolitania, Cyrenaica, and the Fezzan) on the Mediterranean, Eritrea on the Red Sea, and Italian Somaliland on the Indian Ocean—as a result of the failure of the Big Four to agree on any plan for their disposal within a year after the Italian Peace Treaty went into effect on September 15, 1947. Meanwhile all three remained under British occupation, except for the Fezzan area in southern Libya, which had been occupied by French military forces. The question of their disposition gave rise to some of the most complicated and unsatisfactory negotiations of the postwar period and, finally, provided the General Assembly with its first opportunity to hand down a binding decision as a part of the postwar settlement. Where the Big Four had failed, the U.N. succeeded in working out solutions for two of the territories, Libya and Somaliland; but the process had to be spread out over

two separate sessions of the General Assembly, and even then no final decision was reached as to the disposition of Eritrea.

At stake in the decisions were a complex of interests. Among them were (1) military and strategic considerations, including British and American anxiety to maintain Libya as a western base area and keep it out of Soviet hands—and, in the case of the British, to bolster the sagging bulwarks of the imperial lifeline; (2) French concern lest the decisions taken stimulate unrest and nationalist sentiment in the neighboring French territories in North Africa; (3) Soviet interest in obtaining access to the Mediterranean shore, later replaced by the desire to deprive the British of this strategic foothold; (4) Ethiopian pressures to ensure that the territorial decisions conformed with Ethiopia's defensive strategic needs, and to acquire a good port on the Red Sea; (5) Italian prestige considerations, and the accompanying sympathies of the Latin American countries; (6) the British pledge to the Senussi people of Cyrenaica that they would not be returned to Italian rule; (6) Arab interests in the Moslem populations of the territories; (7) Egyptian territorial aspirations in western Eritrea; and (8) the interests of the peoples themselves, which were defended by those members of the U.N. which generally support the aspirations of colonial peoples, and exploited for propaganda purposes by the Soviet bloc when it became apparent that Soviet aspirations for a hold on Tripolitania were not to be realized.

This complicated listing of interests by no means exhausts all the cross currents and ramifications of the problem. It was obvious that any U.N. solution would have to be a compromise if it were to garner sufficient votes to ensure the required two-thirds majority. It was also almost inevitable that any solution must encompass at least two, and perhaps even three, of the territories. Only a "package" would provide sufficient leeway to satisfy enough different interests to capture the needed votes.

In these circumstances, the United States shifted ground frequently with the object of promoting a solution which would ensure some stability in the area and guarantee direct American

interests—particularly the short-range need for use of the Mellaha airfield near Tripoli as a link in the supply chain for American occupation troops in Europe, and the longer-range value of the Mediterranean coast as a base for a southern flank in the event of European war. The most fundamental American aim, however, probably was merely to facilitate an agreement—almost any agreement. As John Foster Dulles has pointed out: "Often, in these matters, it is more important to decide than to perpetuate indecision in the search for a perfect decision. Indecision itself breeds serious difficulties and does great wrong to the people involved, since planning, particularly of an economic and monetary nature, is impossible so long as the political future is unsettled." [3] Mr. Dulles' judgment that the eventual decision was less than satisfactory is undoubtedly shared by many, including the inhabitants of Italian Somaliland.

The issue arose first at the initial meeting of the Council of Foreign Ministers in September 1945. At that time, the United States proposed direct United Nations trusteeship administration over all three territories. The British reluctantly agreed to this solution for Libya, but both the Russians and the French expressed strong disapproval. A Soviet request to be made trusteeship administering authority over Tripolitania—disclosing a Soviet interest in acquiring a direct influence in North African affairs—led the United States to drop its proposal for international administration. The original scheme had provided for an international advisory council to assist the administrator in each territory; but the Soviet Union could hardly be denied participation in such a council if it were set up, and would in any case be able to influence the administration of the territory because of its permanent position in the Trusteeship Council. The only conclusion reached was an agreement in principle that trusteeship should be applied to the three territories. On the crucial question of who was to be the administering authority, and under what terms, no decision was arrived at.

The question was taken up again at the second session of the Council of Foreign Ministers in April 1946, after fruitless

[3] *War or Peace* (New York, The Macmillan Co., 1950), 64.

discussions by the Council's deputies in January. This session, in Paris, witnessed remarkable position-shifting by all of the Big Four except France, and saw the great powers come quite close to an agreement which, nevertheless, fell through because of the conditions which some of them imposed. France, with an eye on conditions in Tunisia and Algeria, steadfastly supported Italy's return to all three territories under a trusteeship arrangement—because, of all the possible administrators, Italy seemed least likely to encourage radical reforms. The U.S.S.R., after first proposing a scheme for joint trusteeship arrangements, which would have made the Soviet Union and Italy joint administrators in Tripolitania and divided the other "spoils" among the other three great powers, astonished the world by coming out in support of Italian administration.

Not wishing to encourage Communist gains in Italy by taking an anti-Italian stand, the U.K. and the United States fell in with this proposal. Great Britain insisted, however, that it be named administering authority for Cyrenaica as a means of honoring Britain's wartime pledge to the Senussi; the United States, for its part, stipulated that definite dates be set for Libyan and Eritrean independence. The French balked at the American condition, and the Russians would not accept the British proposal. The best that the Big Four could do at this point was to agree on a year's postponement of the final decision. The four-power declaration which later became Annex XI of the Italian Peace Treaty provided that the Big Four would try to reach agreement but that, if they had not succeeded within one year after the treaty went into effect, the whole matter would be turned over to the U.N. General Assembly for a binding decision. The Paris Peace Conference agreed to this solution and also included in the treaty, eventually signed on February 10, 1947, an article whereby Italy renounced "all right and title" to the three territories.

The treaty duly went into effect on September 15, 1947; but despite intensive efforts by the deputies of the Foreign Ministers, including an on-the-spot investigation by a Commission of Investigation, the Big Four were unable to reach agreement

before the September 1948 deadline. The bickering and disagreement were even carried into the nominally factual work of the Commission of Investigation, whose reports were honeycombed with reservations and conflicting opinions about the state of affairs in the three territories. There was some measure of agreement, however, that the indigenous inhabitants of none of the territories were ready for immediate self-government, and that the territories were incapable of sustaining themselves economically. The investigators found little evidence of support for Italy's return, but considerable indication of widespread longing for freedom and independence.[4] The final report of the deputies offered no agreed solutions whatever. Perhaps the most notable departure from the earlier positions of the Big Four lay in the British, French, and U.S. proposals for giving all or part of Eritrea to Ethiopia in one form or another.

At the request of the Russians, a last-minute meeting of the Council of Foreign Ministers was called on September 13, 1948, just two days before the treaty deadline. The Soviet purpose emerged when, in the final hours, the U.S.S.R. accomplished the most astonishing of all the shifts of position thus far by proposing that all the colonies be placed under direct administration by the United Nations. This was the plan the United States had proposed exactly three years earlier. This time the United States joined with France and Britain in opposing it as impractical.

As a result of the Big Four's failure to reach agreement, the matter was now in the General Assembly's hands. But the crowded agenda of the Assembly's third session in Paris in the fall of 1948, and the need for more time to permit the three Western powers to iron out differences among themselves, led to a postponement of serious discussion until the second part of the session at Lake Success in April 1949. In the meantime, however, the United Kingdom and the United States had succeeded in working out a common front which involved (1)

[4] The deputies also heard the views of the 19 other governments which expressed interest in the problem; this was the first time that the smaller countries had had an opportunity for a full hearing, although some had expressed their views at the Peace Conference itself.

British trusteeship for Cyrenaica; (2) cession to Ethiopia of the greater part of Eritrea, including the port of Massawa and the capital, Asmara; (3) Italian trusteeship over Somaliland; and (4) postponement of the decision on Tripolitania and the remainder of Eritrea. The terms of this arrangement reflected the growing American commitment in the Middle East and the understanding in Washington of the strategic importance of bolstering the British position in the area. Not only would Cyrenaica remain under British control, but western Eritrea and Tripolitania would continue to be administered by the British until a decision was reached.

The debate in the Assembly's First Committee indicated that the divergence of views which had prevailed among the Big Four would be carried over in even greater measure into the U.N. Representatives of more than 40 countries expressed views, and agreement was almost nonexistent. Efforts to work out compromises floundered because of attempts to link the colonies with the Israel and Indonesian questions. A new factor in the situation was the growing influence of Italy itself, which, though not a member of the United Nations, had become a recognized element in the Western bloc and, in addition, commanded the support of a large number of Latin American U.N. members.

The situation was crystallized when it became known on May 8, 1949 that Count Carlo Sforza, the Italian Foreign Minister, had reached an agreement on the whole matter with Bevin, apparently with the knowledge of the United States. The crux of the Sforza-Bevin plan was a new proposal for Libya under which the entire territory would be granted independence after ten years; in the interim, Cyrenaica would be administered under British trusteeship, Tripolitania under Italian trusteeship (after 1951), and the Fezzan under French trusteeship. This plan had the virtue of acknowledging Libyan aspirations for independence; of recognizing Italian aspirations to be restored to a part of the pre-Fascist colonial empire (thus assuring the support of the Latin American bloc); and of at least temporarily safeguarding British and American strategic interests in

the region. The plan also largely accepted Ethiopian aspirations in Eritrea—except for the western, predominantly Moslem, territories, which were to be incorporated into the Anglo-Egyptian Sudan—and carried over the earlier Anglo-American agreement on Italian trusteeship for Somaliland.

After lengthy discussion, a resolution based on the Sforza-Bevin plan was narrowly approved by a subcommittee of the First Committee. Despite news of violence in Tripolitania and Somaliland in protest against Italy's proposed return, and despite the strong objections of the native representatives who were present at Lake Success, the resolution was also passed by the First Committee. The key provision in the entire resolution, however, was the grant of trusteeship over Tripolitania to Italy. If this should fail to receive the required two-thirds vote in the General Assembly, the entire structure of agreement would tumble because Latin American support of the other provisions would be withdrawn. The vote on this provision in the First Committee, while more than the simple majority required for committee approval, fell short by two votes of the two-thirds majority which would be required in the plenary session. The opposition came from the Arab and Soviet blocs and from Asian countries, led by India and the Philippines, whose principal concern was the welfare of the native peoples. They were particularly bitter about the suggestion that independence for Libya could be attained by partitioning the country among three administrators for ten years.

Finally, after the debate in the First Committee had been repeated almost verbatim in the General Assembly itself, the votes were taken on May 17. As was anticipated, the provision on Tripolitania failed to receive the necessary two-thirds vote (33 for, 17 against, and 8 abstentions). So did the clause granting Italy trusteeship over Somaliland. Consequently, the resolution as a whole was overwhelmingly defeated. The General Assembly had to start from the beginning again. The only course was to postpone the entire question for consideration at the fourth session in the fall of 1949.

The results of the session, while negative, had not been alto-

gether unsatisfactory. In the first place it was now entirely clear that any proposal, in order to secure the necessary votes, must at least satisfy the Arab-Asian and Latin American blocs. Furthermore, the rejection of the Italian aspirations regarding Tripolitania took some of the domestic pressures off the Italian Government, which could now afford to be less uncompromising in its demands.[5] Finally, there were few who would not agree that the defeated resolution was an unsatisfactory one, chiefly because it clearly violated the express desires of the peoples of the territories. Opposition to Italian rule was the one idea on which opinion was nearly unanimous, especially among the people of Tripolitania. The Assembly's action could be viewed as a hopeful indication of responsibility among some of the members. More than a third of the U.N.'s membership refused to subordinate the interests of the peoples concerned to the political arrangements of the European powers, and the United Nations was spared a solution which could only have led to difficulties and bloodshed.

Two events in the interval before the Assembly's fourth session reflected the changes resulting from the May 17 decisions and, in turn, contributed to the possibility of agreement. On June 1, in a move that was understood to have the approval of the United States, the British Government announced that it was granting limited self-government to the people of Cyrenaica. Emir Sayid Idris al-Senussi, head of the Senussi brotherhood, was recognized as head of the Cyrenaican government, and Cyrenaican self-government in internal affairs was formally proclaimed on September 17. The day after the first British announcement, there was an indication that the Italian Government would content itself with an advisory role in Tripolitania, similar to the new British position in Cyrenaica. In both cases, the two governments had changed their objective from continued British and Italian trusteeship to early self-government.

[5] For an excellent analysis, see Benjamin Rivlin, *The Italian Colonies* (Carnegie Endowment for International Peace, United Nations Action Series, No. 1, June 1950), chapter IV. This work is an excellent summary of the entire question from 1945 on and has been relied on heavily in the section preceding.

These decisions broke the log jam and made a solution during the Fourth General Assembly possible if not inevitable.

When the General Assembly convened in September 1949, it was presented with separate British and American proposals for granting independence to Libya. The two differed on the Fezzan question, with the U.S. supporting the inclusion of that area in the sovereign Libyan state, whereas the U.K. had left the door open for assignment of the Fezzan to France. Both proposals agreed that the details of Libyan independence would have to be worked out by the Libyans themselves. During the interim period before independence was achieved, the United States urged that administration remain in the hands of the British and the French, assisted by an advisory council acting on behalf of the General Assembly. Both the U.K. and the United States continued to support the disposition of Somaliland and Eritrea envisaged at the previous session—i.e., Italian trusteeship for Somaliland, and division of Eritrea between Ethiopia and the Anglo-Egyptian Sudan.

Early in the new session Count Sforza, in behalf of his government, formally withdrew Italy's demand for trusteeship over Tripolitania—a demand which had less chance of acceptance than ever now that it was no longer supported by the U.S. and U.K. This action ensured at least the neutrality of the Latin American countries concerning whatever solution might be worked out. Count Sforza, too, now advocated early independence for Libya and urged independence for Eritrea as well. The Russians, anticipating the U.S. and U.K. positions, had already proposed independence for Libya and Eritrea; unlike them, however, it wanted immediate Libyan independence, the withdrawal of all foreign troops and the liquidating of all military bases within three months, and Eritrean independence in five years. Despite these minor differences, the general agreement on Libyan independence removed the principal stumbling block and opened the way for a solution.

As finally evolved in the Assembly, the solution encompassed the following elements: [6] (1) *Libya,* comprising all three parts,

[6] General Assembly Resolution No. 289, November 21, 1949.

was to become an independent and sovereign state no later than January 1, 1952. A U.N. Commissioner was to be appointed to assist the inhabitants to draw up their constitution and establish their independent government. The Commissioner was to be advised by a ten-member Council (representing Egypt, France, Italy, Pakistan, the U.K., and the U.S., plus one representative from each of the three Libyan provinces and a representative of the Libyan minorities). (2) *Somaliland* was to achieve independence after ten years under Italian trusteeship. Italy would assume the administration after a trusteeship agreement was drawn up by the Trusteeship Council—but even before approval by the General Assembly—and would be assisted by an Advisory Council (Colombia, Egypt, and the Philippines). (3) On *Eritrea* no decision was reached, other than to dispatch a Commission of Investigation to ascertain more fully the people's wishes and the best means of promoting their welfare. This Commission (Burma, Guatemala, Norway, Pakistan, and South Africa) was to report to the Secretary-General by June 15, 1950 so that its recommendations might be considered by the General Assembly during the fifth session.

Surprisingly, it was Eritrea, on which there had been the greatest measure of agreement during the previous session, that caused the most difficulty. With Somaliland and Libya no longer foci for bargaining, the Latin American countries, led by Argentina, and the Asian countries, led by Pakistan and India, opposed any solution which did not recognize Eritrean aspirations for independence. As a compromise the U.S. delegate, Philip C. Jessup, tentatively proposed a personal union between Eritrea and Ethiopia under the Emperor Haile Selassie—an arrangement designed to assuage Ethiopia and, at the same time, preserve Eritrean autonomy. No agreement could be reached, however, and the First Committee finally accepted in essence an Australian proposal to postpone the decision and obtain more information. Dr. Jessup later recorded the disappointment of the U.S. delegation at the failure to reach a definitive solution for Eritrea, but expressed the over-all gratification of the United States on the General Assembly's "difficult job well done." In

the plenary meeting, the First Committee's proposals were adopted with only one negative vote, Ethiopia's. Even the Soviet bloc, which did not approve the separate parts of the resolution, abstained instead of voting against the resolution as a whole.

The decision remained to be implemented. Before it adjourned the General Assembly named Adrian Pelt of the Netherlands, Assistant Secretary-General of the U.N., to be U.N. Commissioner in Libya. The Trusteeship Council, in a special session on December 8 and 9, appointed a committee (France, Iraq, the Philippines, the Dominican Republic, the U.K., and the U.S.) to prepare a draft trusteeship agreement for Somaliland; this committee met in Geneva and presented a draft to the Council, which approved it in substance on January 27, 1950. In accordance with the General Assembly's decision, Britain turned over the reins of administration in Somaliland to Italy on April 1, 1950. The Eritrean Commission, meanwhile, arrived in the territory on February 8, 1950 and drafted its report—on which its members split three ways—in May.

Although in one sense the U.N.'s task was completed, at least in respect of Somaliland and Libya, in another it was only beginning. Difficulties unquestionably lay ahead. In Libya, there was the extraordinarily complicated arrangement whereby Britain and France remained temporarily as the responsible administrators, alongside a U.N. Commissioner whose task was to advise the Libyans on their future. The Commissioner, in turn, had to work with a ten-member Advisory Council. Whether so cumbrous a relationship would work satisfactorily remained to be seen. In Somaliland, the earlier outbreaks of disorder indicated that the Italian administrators would have a difficult time in helping the Somalis toward their projected independence. It was uncertain, moreover, how the arrangement for the Advisory Council would work out in this case. Reports of disagreement among its members boded ill for the effective fulfillment of the U.N.'s role in the process.

In both cases, furthermore, the reasonableness of the relatively short preparatory periods for self-government had still to be proved. All the evidence, collected by the four-power Com-

mission of Investigation and otherwise, indicated that none of the areas was really capable of immediate self-government. The question was whether two years for Libya and ten for Somaliland would fill the needs. But in any event it was clear that in a little over a year the U.N. had accomplished more, no matter what difficulties might lie ahead, than the four powers had been able to achieve in three years.

2. *Perfecting the Trusteeship System*

The growth of a world opinion on colonial matters has left its deepest imprint in the powers and procedures of the United Nations trusteeship system. The states which administer the 11 U.N. trust territories (including Somaliland) are subject to the most rigorous external controls known to the history of colonialism. They are required to submit annual reports, based on detailed questionnaires, for consideration by the U.N.'s 12-member Trusteeship Council, which may also consider both oral and written petitions concerning conditions in the territories. The representatives of the administering states are subjected to searching questioning, amounting frequently to cross-examination, by the other members of the Trusteeship Council. Furthermore, the Council has the power to appoint visiting missions to conduct on-the-spot investigations; under the pattern the Council has established, each trust territory is to be visited every third year. On the basis of information available through these devices, the Council and the General Assembly make recommendations to the administering states which they must either carry out or run the risk of merciless publicity attendant upon critical examination of their administrative records in the Council's semiannual sessions.

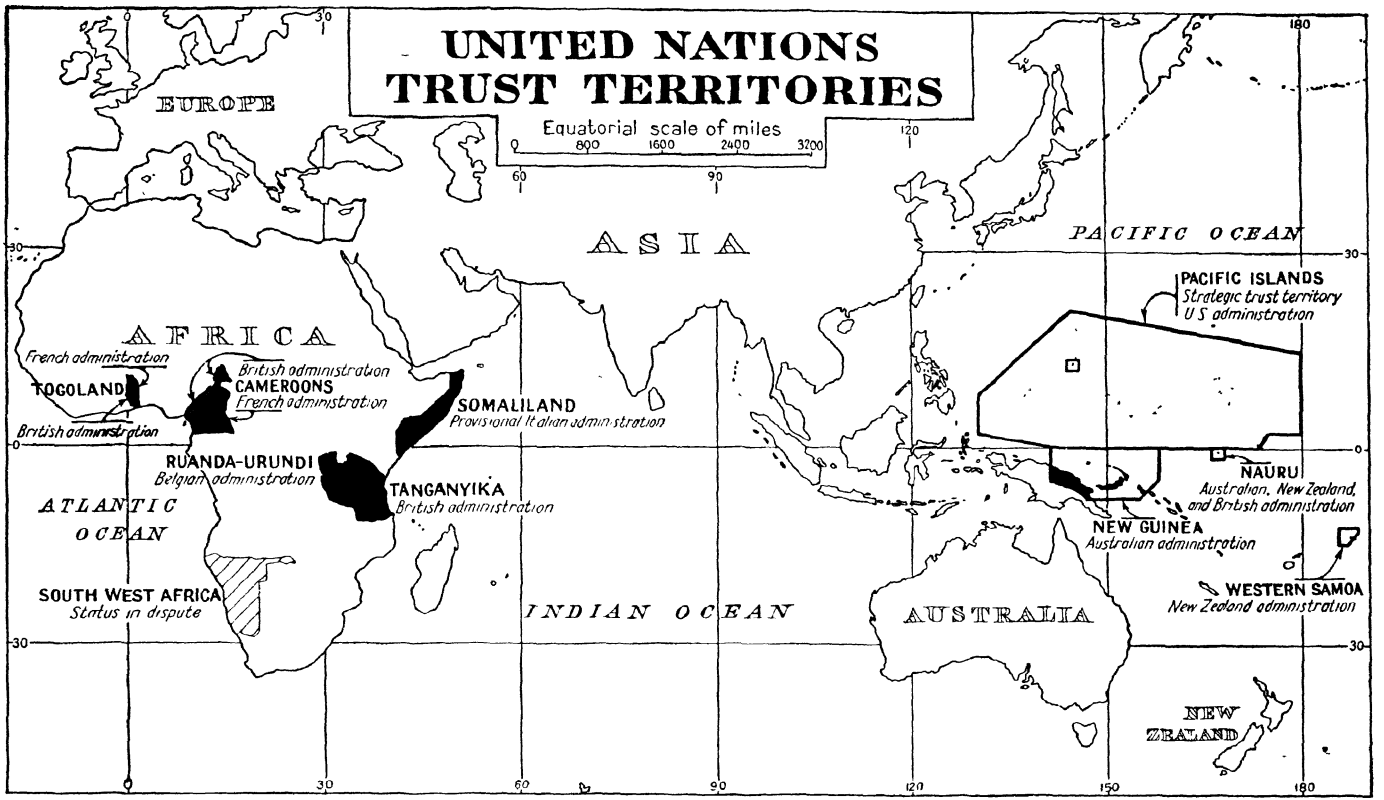
The application of this system is limited to a mere fraction of the world's non-self-governing territories. The trust territories' total population of some 18 million is about 10 percent of all the dependent peoples. Their composite area is less than that of the single colony of the Belgian Congo. But the trusteeship system, with the League of Nations mandates which pre-

ceded it, ranks among the most important developments in world affairs. Not only does it rest on the doctrine that the states which administer these colonial territories are "accountable" for their administration to the world community at large, but it also provides means whereby the corollary international responsibility can be exercised through a thoroughgoing system of supervision. The trusteeship system, based on the provisions of Chapters XII and XIII of the U.N. Charter, advances considerably over the League of Nations mandates system because of the new powers of supervision, principally the power to visit the territories. It may provide an effective yardstick by which other colonial administrations can be measured.

This special regime applies to territories which were taken from the enemy states in World War I (or, in the case of Somaliland, from Italy in World War II) and placed under the trusteeship system by "trusteeship agreements" between the administering governments and the United Nations.[7] The trusteeship agreements are not uniform, but have many points in common; and each one had to satisfy the General Assembly or the Security Council that under its terms the territory to which it applied would be governed in accordance with the objectives of the system, as specified in Article 76 of the Charter. The Charter and the agreements taken together define the terms on which the administering states undertake to govern the trust territories.

The extent of the burden which these conditions impose on the administering authorities is reflected in the design of the machinery created to administer the system. Under the jurisdiction of the General Assembly (or of the Security Council, in the case of the "strategic" trust territory of the Pacific Islands), the Trusteeship Council actually carries out the U.N.'s supervisory functions. The Council itself is composed of an equal

[7] The trusteeship agreements, with two exceptions, were approved by the General Assembly in accordance with Article 85 of the Charter. The agreement for the Trust Territory of the Pacific Islands, since it is a "strategic" territory, was approved by the Security Council under Article 83; that for Somaliland was drafted by the Trusteeship Council and will be considered by the General Assembly during its fifth session in 1950.


UNITED NATIONS
TRUST TERRITORIES
Equatorial scale of miles
0 800 1600 2400 3200
EUROPE
ASIA
AFRICA
PACIFIC OCEAN
ATLANTIC OCEAN
INDIAN OCEAN
AUSTRALIA
NEW ZEALAND
French administration
TOGOLAND
British administration
British administration
CAMEROONS
French administration
SOMALILAND
Provisional Italian administration
RUANDA-URUNDI
Belgian administration
TANGANYIKA
British administration
SOUTH WEST AFRICA
Status in dispute
PACIFIC ISLANDS
Strategic trust territory
U S administration
NAURU
Australian, New Zealand, and British administration
NEW GUINEA
Australian administration
WESTERN SAMOA
New Zealand administration
30
60
90
120
150
180
0

number of administering and non-administering states, delicately balanced to ensure that adequate recognition is accorded the rights and interests of the former group. As a result of Soviet insistence at San Francisco, the five great powers must always be members of the Council, whether or not they administer trust territories. Thus the Council is currently composed of (a) the six administering states—the United Kingdom, France, Belgium, Australia, New Zealand, and the United States; (b) the two other "great powers" which do not administer trust territories, China and the U.S.S.R.; and (c) four members elected by the General Assembly to maintain the balance between adminstering and non-administering members (as of December 31, 1949, Iraq, Mexico, the Dominican Republic, and the Philippines).[8]

The United States, motivated by its traditional liberalism in colonial matters and perhaps also by memories of Woodrow Wilson's role in the creation of the mandates system, played a prominent part in securing approval of these arrangements at San Francisco. American support of trusteeship, however, was not entirely uninhibited because of the requirement, insisted upon by the military branches of the government, that American strategic interests in the Pacific—notably in the islands which had been under League of Nations mandate to Japan—be safeguarded in the arrangements to be incorporated in the Charter. Consequently the idea of strategic trust territories, under the over-all jurisdiction of the Security Council (in which the United States has the power of veto), was incorporated in Articles 82 and 83 of the Charter.

It was not until almost two years after San Francisco that the United States, after a period of sharp intragovernmental disagreements on the issue, submitted a draft trusteeship agreement for the Pacific Islands, which was approved by the Se-

[8] Argentina replaced Mexico effective January 1, 1950. Italy, as a nonmember of the U.N., is ineligible for membership on the Council but will presumably be accorded the right to appear before it without vote when Somaliland questions are discussed. When Italy does become eligible for Council membership, another non-administering member will have to be elected by the General Assembly to maintain the balance.

curity Council on April 2, 1947 and entered into effect on July 18 of that year, after approval by both houses of Congress and by President Truman. In line with the special Charter provisions, the agreement gave the United States the privilege of declaring all or part of the area "closed" for security reasons, thereby limiting the U.N. in its powers of supervision. On December 2, 1947, the United States notified the U.N. that Eniwetok atoll would be a "closed" area because of atomic energy experiments. However, when the annual report on administration of the territory was considered by the Trusteeship Council during its fifth session in July 1949, only the U.S.S.R. was consistently critical; and a report which was on the whole commendatory of the American role was passed without a dissenting vote, and with only two abstentions beside that of the United States.

During its first two sessions, held in March and November 1947, the organization of the Trusteeship Council was carried out expeditiously and with a minimum of friction. No Soviet delegate was present at these sessions, because the U.S.S.R. did not approve the terms of the first eight trusteeship agreements which had been accepted by the General Assembly in the previous year. Among substantive matters considered by the Trusteeship Council in 1947 were two important petitions: one from the people of Western Samoa, requesting increased self-government; and the second from the Ewe people of West Africa, protesting the division of their lands among the French and British parts of Togoland and the British colony of the Gold Coast, and requesting that steps be taken to unify their lands. In response to the Samoan petition the Council sent out a special visiting mission, whose report paved the way for extensive constitutional reforms which were put into effect early in 1948 and appear to have satisfied the immediate Samoan aspirations. The Ewe petition, considered in December 1947, provided the first opportunity for the Council to hear an oral plea in support of a petition. Mr. Sylvanus Olympio, representing the All-Ewe Conference, delivered an eloquent plea for unification of the Ewe lands; and as a result the two administering states agreed to take

certain steps to alleviate the hardships for the Ewes and to consult together and with the Ewes regarding further measures to be taken.[9]

The atmosphere changed when the Soviet Union assumed its place in the Council in April 1948, presumably in order to participate in the discussions of the draft Statute for Jerusalem which the Trusteeship Council had been preparing under instructions from the General Assembly.[10] The harmony which had enabled the United States to serve as mediator between the administering authorities and the more vocal of the non-administering states gave place to bitter antagonisms, and the third and fourth sessions of the Council in 1948 and early 1949 produced many votes in which the administering authorities and the non-administering members, now buttressed by the U.S.S.R., were equally balanced.

In general the administering authorities, notably the United Kingdom, Belgium, and France, took the view that the purpose of the trusteeship system was simply to ensure that administration of the trust territories did not violate the terms of the Charter and the trusteeship agreements. The majority in the Trusteeship Council and especially in the General Assembly, on the other hand, have taken the view that the United Nations can assume the more positive function of guiding the administering authorities in the exercise of their responsibilities, thus contributing directly to the attainment of the trusteeship objectives. Just as the non-administering members of the Council have become more vocal with the advent of Soviet leadership, the administering states have become more resentful of the criticisms to which they have been subjected, and more resolute in their opposition to what they consider the extension of the Council's authority beyond its proper bounds.

As the cold war grew in intensity, the alignment of administering versus non-administering states in the Council tended to become more firmly established; and the United States for the

[9] The matter continues to occupy the Council, which had before it at its sixth session in June 1950 a special report on the problem prepared by its visiting mission to the West African trust territories.

[10] Cf. *The United States in World Affairs, 1948–1949,* 384.

most part felt compelled to support the views of its Western allies in the world power balance. By late 1949, however, as the scope of the colonial revolution became clearer and particularly as events in China brought the Communist menace in Asia into sharp focus, there were indications of a possible shift in the U.S. position. At the General Assembly's fourth session, for example, the United States abandoned the administering powers and voted in favor of a resolution (No. 325, November 15, 1949) urging the latter to fly the U.N. flag in their trust territories.[11] But if the United States seemed inclined to take a more sympathetic view of the aims of the non-administering states, it remained subject to strong pressures from both sides which might prevent it from taking an unequivocal stand in favor of either.

By the third year of operation, in 1949, the pattern of trusteeship procedures appeared reasonably well established. Routines had been fixed for considering the annual reports, the petitions, and the reports of the visiting missions. In 1949 the Council's second regular mission visited the four West African trust territories, the first having covered the two East African territories in 1948. The Council's activities during the year were almost entirely derived from its performance of the three assigned duties —visits, petitions, and annual reports—and, as a consequence, its conclusions were for the most part particular, relating to individual problems in individual trust territories, rather than general.

One general question to which the Council did have to devote considerable attention was the matter of administrative unions between trust territories and neighboring colonies administered by the same governments. In one form or another this problem affected seven of the trust territories; but it was most acute with respect to Tanganyika and New Guinea, for both of which special schemes of administrative unification with adjacent colonies had been elaborated. On the one hand, it was urged by the administering powers that such arrangements brought concrete advan-

[11] When the matter came before the Trusteeship Council for implementation early in 1950, the United States again supported the measure. This time, however, it was defeated by a tied vote—a reminder that the voting position of the administering powers is much stronger in the Council than in the Assembly, where they constitute but a small minority.

tages to the trust territories in terms of administrative efficiency and the extension of common services. On the other, it was feared by non-administering countries that administrative unions would diminish the political individuality of the territories and prejudice their advancement toward viable self-government; that performance of the U.N.'s supervisory duties would be made difficult if not impossible; and that, especially in the case of Tanganyika and New Guinea, administrative unions would subject the trust territories to the unsatisfactory racial policies practiced in the nearby colonies. The United States generally took a position between the two extremes, recognizing the possibility of advantage to the territories, but also supporting the demand that assurance be given concerning the political individuality of the territories and the Trusteeship Council's ability to carry out its duties.

The Council decided, in effect, merely to keep the matter under study—thereby incurring an implied rebuke from the General Assembly when that body considered the Trusteeship Council's report during its fourth session. In a strong resolution (No. 326, November 15, 1949) the Assembly affirmed that administrative unions should not extend to any form of political association which would involve annexation of the territories or extinguish their trust status. It recommended that the Council should proceed with its investigation and particularly consider, among other things, (1) whether the administering authorities should inform the Council before going ahead with new schemes for administrative unions or the extension of existing schemes, (2) whether the Council should be permitted to exert whatever supervisory powers it needed over the "unified administration" to ensure that it could discharge its responsibilities; and (3) whether separate legislative bodies with headquarters in the territories should be established for each trust territory. Most spectacular of these provisions was the hint that the General Assembly might want to supervise non-trust territories to the extent required for the performance of U.N. functions relating to trust territories affected in this way.

In this and other cases the General Assembly, not laboring under the necessity of performing the trusteeship chores, has

assumed the broader functions of supervision. Increasingly it has shown a determination to play an active role in formulating the broad goals to be pursued in trusteeship administration. During its fourth session the Assembly approved altogether seven resolutions on trusteeship matters (Nos. 320-326, November 15, 1949), some of them only after bitter resistance by the administering states had led to the deletion of clauses to which they particularly objected. A matter of considerable dispute was the proposal that the administering authorities be required to submit blueprints of plans for political advancement in the territories. This paragraph and another in the same resolution, requiring that the seat of administration in each case should be inside the trust territory, were opposed by the United States. Otherwise the United States, much to the consternation of the British, French, and Belgians, supported all the proposals, some only lukewarmly. Despite this voting record, the United States generally sought to exert a moderating influence and make the Assembly decisions less unpalatable to the administering authorities.

These Assembly resolutions, dealing with the political, social, economic, and educational aspects of administration as well as with some of the mechanics of U.N. supervision, were the high point of U.N. trusteeship activity to that time. But the determination of some of the non-administering states to exploit to the full the U.N.'s regulatory potential portended further conflicts. There was a possibility that Britain, France, and other administering states might refuse to cooperate further in a system which subjected them to continuing pressures and criticisms, most of which they considered to be irresponsible and some of which undoubtedly were founded in ulterior motives, ignorance, or misconceptions. Without cooperation by the administering states, the trusteeship objectives clearly could not be attained within the framework of the trusteeship system.

One special and serious limitation on the scope of the trusteeship system arose from the peculiar situation of South West Africa, which had been administered by the Union of South Africa as a mandated territory. Since its inception, the United

Nations has been faced with the problem created by the Union Government's refusal to place South West Africa under the trusteeship system. It is the lone remaining mandated territory which has not either come under the new system or achieved its independence.

The issue has been considered by the General Assembly during each of its four sessions from 1946 to 1949. Three times before 1949 the Assembly, after denying South Africa's request that it approve a plan for incorporating the area into the Union itself, requested the Union to place the territory under trusteeship. In each case the United States was instrumental in bringing about agreement on the terms of the resolution to be adopted. There has been a conflict of views between a large group of states which believe that the Union has a legal obligation to accept trusteeship and the few, notably the United Kingdom, which generally support the South African position. The United States has hewed to a middle line, denying that there is a legal obligation but nevertheless supporting the request for a trusteeship agreement on moral and political grounds. On several occasions the United States has opposed strong condemnatory resolutions, first in order not to encourage the downfall of Marshal Jan Christian Smuts' government and, later, after Smuts' replacement in June 1948 by the extreme Nationalist Dr. Paul F. Malan, in order to avoid pushing South Africa into a posture of complete intransigence.

The high point of Union cooperation with the U.N. on the issue was achieved in 1947, when South Africa submitted to the General Assembly a report on its administration during 1946. At its second session, in the fall of 1947, the Assembly authorized the Trusteeship Council to consider this report. After requesting, and receiving, additional information based on an extensive questionnaire (in whose formulation the United States played an important role), the Council submitted a highly critical report to the General Assembly in time for consideration during the third session in 1948. In response to the Assembly's request that the Union continue to submit reports, the Union replied on July 11, 1949 that it would no longer do so, giving

as a principal reason that it had been subjected to unjustified criticisms in which it was not under legal obligation to acquiesce. At the same time it forwarded the text of new legislation providing for closer integration, amounting to incorporation, of South West Africa into the Union.

Presented with these facts, the Trusteeship Council referred the matter back to the General Assembly, which considered it during the fourth session in 1949. In view of the obvious inadequacy of another resolution along the same lines as the three it had already adopted, the Assembly took another tack, with the United States in the lead. It decided to appeal to the International Court of Justice for an advisory opinion, and posed three questions: (1) Does the Union have international obligations under the mandate, and, if so, what are they?; (2) does Chapter XII of the Charter (International Trusteeship System) apply, and, if so, how?; and (3) is the Union competent to modify South West Africa's international status and, if not, who is? (Resolution No. 338, December 6.) At the same time, in order not to appear to be stepping down from its previous positions, the Assembly reiterated its request that the territory be placed under trusteeship (Resolution No. 337), although the United States opposed such action on the ground that it was inconsistent with the appeal to the Court. An issue of bitter contention during the session was the propriety of granting a hearing to the Rev. Michael Scott, who claimed to represent several of the South West African tribes. The decision to hear him led to a South African "walk-out" from the Assembly committee dealing with the matter.

Presumably the Court's decisions on the three questions submitted to it would help to unravel the legal mysteries of the status of the mandates. The efficacy of the move, however, would depend on the nature of the Court's replies and on the Union's willingness to accept them in good faith. The decisions would be legally binding neither on the General Assembly nor on the Union Government, but an authoritative pronouncement by the Court would unquestionably provide the basis for further

action by the Assembly and might also carry weight in South Africa.

The issue provides a significant test of the Court's authority, of the Union's sincerity in adhering to the Charter, and of the U.N.'s efficacy as an institution. It has also been a revealing case study of international pressures in relation to national stubbornness. The Union's intransigence has grown rather than decreased, despite the delicacy with which some U.N. members, especially the United States, have attempted to handle the issue. In this respect, it may prove a valuable guide in other U.N. activities concerned with non-self-governing territories.

3. Progress for Non-Self-Governing Peoples

Of far greater significance than the trusteeship system, in terms of both novelty and scope, is Chapter XI of the U.N. Charter, the Declaration Regarding Non-Self-Governing Territories, which affects all non-self-governing territories administered by U.N. members.

The exact application of this chapter remains imprecise in the absence of an accepted definition of what constitutes a "non-self-governing territory." In its early sessions the General Assembly pragmatically accepted, as a basis for proceeding, the lists submitted by the colonial states themselves designating the territories to which they would apply the obligations imposed by Chapter XI. In 1946, 74 territories were listed as non-self-governing by eight administering states—Australia, Belgium, Denmark, France, the Netherlands, New Zealand, the United Kingdom, and the United States. In later years this number dwindled to 64 as France, the United Kingdom, and the United States ceased reporting to the U.N. on a number of territories.

A request for official explanations of these omissions, advanced by India at the Assembly's third session in 1948, was bitterly opposed by Belgium, France, and the U.K. on the ground that the matter concerned only the metropolitan countries and the territories in question. The resolution was passed, however, and explanations were submitted to the effect that all the ter-

ritories concerned (except the Panama Canal Zone, on which the United States had ceased to submit information) [12] exercised a degree of self-government which removed them from the non-self-governing category.

Another question at issue was whether the colonial powers should be free unilaterally to make decisions of this nature, which affected their obligations under the Charter and the exercise of U.N. jurisdiction as it had evolved since San Francisco. Despite strong opposition from the colonial states, the General Assembly at its fourth session passed a resolution (No. 334, December 2, 1949) which authorized a U.N. examination of the "factors which should be taken into account in deciding whether any territory is or is not a territory whose peoples have not yet attained a full measure of self-government." This resolution, while it did not settle the question of U.N. authority in the matter, at least indicated a disposition on the part of a sizable majority of U.N. members not to let it go by default.

By its terms, Chapter XI is no more than a declaration by the colonial powers that they will abide by specified principles in governing their colonies—notably that "the interests of the inhabitants of these territories are paramount"—and (Article 73 e) that they will submit annually to the Secretary-General of the U.N. technical information relating to "economic, social, and educational conditions" in the non-self-governing territories. While even this was a great advance over the very few previous limitations on the sovereign prerogatives of colonial powers, the chapter provided no concrete assurances that the U.N. would be able to enforce the standards established. Nor was there any specific authorization for the Secretary-General to do anything whatever with the information he received from the colonial powers.

Since San Francisco, Chapter XI has been the subject of con-

[12] The U.S. itself has advanced an extremely broad definition of non-self-governing territories, encompassing all territories which exercise less self-government than the metropolitan center. Under this formula, the U.S. has reported to the U.N. on Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Panama Canal Zone. It stopped reporting on the last, however, because of a protest by the Republic of Panama that the Canal Zone was under Panamanian sovereignty and could not be considered non-self-governing.

tinuous constitutional interpretation by the General Assembly, based on the reporting provision. As a result, a system of international supervision has been erected which, while it still falls far short of the more rigorous requirements embodied in the trusteeship system, gives promise of providing significant assurances to colonial peoples that the U.N. can effectively intervene for their welfare. The climax thus far was reached during the fourth session of the Assembly, when ten resolutions were passed relating to Chapter XI, four of which dealt with substantive aspects of administration in the territories.

If Chapter XI was to be more than a pious declaration of principles, it was clear that the reporting requirement would have to be expanded into a more significant instrument of accountability to the international community. During the very first session of the General Assembly, early in 1946, the United States took the initiative (rapidly followed by other delegations, especially China) by proposing that the Secretary-General be authorized to "summarize" the information transmitted under Article 73 e in his annual report to the Assembly. Later in the year an *ad hoc* Committee, consisting half of colonial powers and half of other states elected by the Assembly, was created to examine the summaries and analyses prepared by the Secretary-General and make recommendations to the Assembly on future procedures and means for bringing the U.N. specialized agencies into the work. Thus in slightly more than a year a clause which might have been a dead letter was so interpreted as to give the General Assembly real functions, if only procedural ones, and an embryo mechanism to handle them. Although the United States, for technical reasons, did not support the creation of the Committee, it did support the expansion of the General Assembly's powers.

Thereafter, the *ad hoc* Committee and the Special Committee on Information which succeeded it have been a subject of strong contention between the more recalcitrant colonial powers and the more vocal anticolonial members of the U.N. The major issue was whether such an organ should continue to exist at all, with Britain, France and Belgium protesting vigorously against

proposals to maintain it on a permanent basis. In 1947 and again in 1948, the Special Committee was extended for one year. In 1949, a three-year extension was voted (Resolution No. 332, December 2). The United States was a prime mover behind this compromise between the large group which wanted a permanent body and the few colonial powers which wanted none at all, arguing that the Committee's procedural functions were exhausted and that its continuance was contrary to the Charter.

That the Special Committee had done an impressive procedural job there could be no doubt. In 1947 the Assembly had approved a standard form to be followed by the colonial members in submitting information. Very similar to the trusteeship questionnaire in function and substance, the standard form had been proposed by the United States in the *ad hoc* Committee. In addition, a regular pattern had been established whereby the information was due at a specified time each year, to be classified and analyzed by the Secretary-General for submission to the Special Committee. This body's deliberations were scheduled so that conclusions might be presented to the General Assembly in its annual sessions. In another respect also, the language of the Charter had been elaborated in an authorization to the Secretary-General to include in his summaries and analyses data derived from other official publications of the colonial powers and of international agencies.

These procedural accomplishments, however, did not satisfy the majority of Assembly members, who were anxious to bring the U.N.'s authority more directly to bear in bettering the lot of the colonial peoples. A beginning was made in 1948 in a resolution urging the administering states to take advantage of the facilities of the specialized agencies in dealing with economic, social, and educational problems in the territories. In 1949, four substantive resolutions (Nos. 328-331, December 2) were approved by the Assembly on the recommendation of the Special Committee, dealing with nondiscrimination in education, use of indigenous languages in the schools, eradication of illiteracy, and collaboration with the specialized agencies. The

United States played an important role in elaborating these resolutions and was also responsible for the decision (Resolution No. 333, December 2) that henceforth the Special Committee would devote each annual session to considering one of the three fields—economic, social, educational—in rotation. It is clearly accepted, however, that the U.N.'s substantive functions in this field are general rather than particular, i.e., that they do not deal with individual territories.

Another important area of controversy has concerned the nature of the information which the colonial states are required to submit. Article 73 e carefully avoided referring to political information, and some of the colonial powers, notably the U.K. and Belgium, have refused to submit data concerning their territories' advance toward self-government. A number of other U.N. members, however, have insisted that since development toward self-government is recognized in Chapter XI as one of the obligations of the colonial powers, the General Assembly should be informed in this sphere also. Their case was strengthened by the fact that the other colonial powers have all made a practice of submitting political data. In 1947 and 1948, resolutions were adopted encouraging the voluntary submission of political information. Again in 1949, after an extended discussion in which the Assembly's competence to deal with political information was widely upheld, the General Assembly passed a resolution (No. 327, December 2) expressing the hope that members which had not done so would in future voluntarily submit political information.

Clearly, General Assembly action since 1946 had resulted in a substantial beginning toward a full-blown system of international accountability for colonial administration. The movement, in which the United States played a prominent part both as an initiator and as a restraining influence, stemmed from a clear recognition, accentuated by events in the colonial world, of the force of the pressures for colonial advancement. Here, however, even more than in trusteeship matters, the prevailing trend in the United Nations was strongly resisted by Great Britain, France, and other colonial powers. Their opposition,

though plainly sincere, was stubborn and embittered. Their appeals to the letter of the Charter, and their increasingly explicit refusal to be bound by the Assembly's resolutions, recalled the pattern of Soviet resistance to such constitutional innovations as the Interim Committee and the U.N. Field Service.[13] In part, their attitude may have been characteristic national reaction against international "interference." But more basically it reflected a last-ditch stand against the libertarian and egalitarian forces at loose in the colonial world.

For the United States, the temptations were great to go along with its Western friends in resisting the new trend. But its position on Chapter XI, more perhaps than in any other respect, showed a positive understanding of the U.N.'s potentialities as a bridge between the past and the future, as a means for effecting a peaceful and acceptable transition between yesterday's colonialism and tomorrow's free world. The U.S. position was necessarily equivocal from time to time. As a colonial power itself—and one deeply concerned for the future of its European allies—the United States appreciated the arguments for the *status quo* even when it did not agree with them. It was, however, impossible to overlook the fact that the future relations of the West with half the world's population would depend on American success in leading the other colonial powers toward the kind of future envisioned by the vocal protagonists of a strong U.N. role in colonial matters. If the colonial powers refused to cooperate in the U.N.'s effort, the bridge to the future might be destroyed. The importance of the goal justified the sacrifices the United States had to make, in terms of irritable relations both with its friends among the colonial powers and with its friends in the anticolonial bloc. As the year drew to a close, however, some of the colonial powers registered sharp protests over the American attitude which caused some observers to wonder whether the new tendency would be smothered before it had time to bear fruit.

[13] Cf. above, pp. 289-292.

CHAPTER TWELVE

MIDDLE EAST CROSS CURRENTS

IN ASIA as in Europe, the basic aim of U.S. policy was to promote conditions of general political and economic health, thereby reducing the likelihood of public disturbances and the opportunities for Soviet infiltration or aggression. It was a realization of the world-wide Soviet threat to Western interests that gave the varied problems of Asia such unity as they possessed in American eyes, and accounted for the gradual quickening of American concern with various regions that previously had lain somewhat outside the scope of American policies. Unlike Europe, however, the Middle East—and, indeed, Asia as a whole—was an area for whose own inhabitants the global East-West struggle had little direct interest or meaning. Most of their problems were of a more immediate and local character—the problems of nations just emerging into full awareness of the industrial age.

To Asian peoples the ideological disagreements between the U.S.S.R. and the West were not particularly significant. From their point of view, the similarities between the two camps tended to loom larger than the differences. Russians and Westerners alike were representatives of the technologically advanced industrial society which Asian peoples associated mainly with the phenomena of imperialism, economic exploitation, and colonial rule. In some respects, indeed, their natural inclination was rather toward the Soviet Union than toward the West. Russia, after all, was herself largely an Asian power, composed of many races whose autonomous rights and national cultures the Soviet regime respected and sedulously preserved. Some of these races had direct ethnic and religious ties with peoples outside the Soviet frontiers.

The Russians, moreover, were free from that air of superi-

ority in dealing with "subject races" that so exasperated the relations of Asian peoples with representatives of some of the European colonial powers. The special type of democratic political organization which the latter practiced at home, but had never applied consistently in their colonial possessions, had no great attraction for peoples who by and large stood on too low a level of economic development to be interested in fine distinctions of political theory. For them the West was familiar chiefly as the source of that foreign "oppression" whose last vestiges they were now shaking off after a struggle lasting a generation or more.

The United States had been largely exempt from this prevalent anti-Western, anti-imperialist sentiment. Never having figured largely as a colonial power, it was better known for its humanitarian activities and for the sympathy with which it had generally regarded Asian aspirations toward self-government and independence. The record of its administration in the Philippines, culminating in the establishment of the independent Philippine Republic in 1946, was a psychological asset in many Asian countries. On the other hand, postwar events had tended in some ways to lessen American prestige. Manifestations of sympathy for Zionist aspirations in Palestine had bitterly antagonized the peoples of the surrounding Arab lands. Support of the Nationalist dictatorship in China had placed the United States in opposition to the reformist current in Asia's largest and most populous country. Political association with European colonial nations had tempered American eagerness for the independence of their remaining colonial possessions. The exigencies of the "cold war" tended to place the United States in a position where opposition to Soviet pressure throughout the world took precedence over action solely concerned with the welfare of Asia's peoples. "Justifiably or not," wrote one discerning critic, "the United States has acquired the reputation of supporting the status quo everywhere in the Middle East." [1] The same remark could have been applied to the whole of Asia.

[1] T. Cuyler Young, "The Race Between Russia and Reform in Iran," *Foreign Affairs,* XXVIII, January 1950, 282.

In the countries lying between the Turkish Straits and the Himalayas, the United States had largely taken over Great Britain's historic policy of curbing Russian expansion in the direction of the Mediterranean, the Persian Gulf, and the plains of India. As the decline of British power in the area became more apparent, the traditional Anglo-Russian rivalry had broadened into an opposition—animated by somewhat altered conceptions on both sides—between the Soviet Union and an Anglo-American partnership in which the United States became increasingly the preponderant member. The primacy of American responsibilities in Western Asia was formalized by the commencement of the Greek-Turkish aid program in 1947; in Iran and Afghanistan it was signalized by no such dramatic event, but American involvement perceptibly increased as British influence waned.

Despite their common interest in resisting Soviet pressure to the southward, the aims of the two powers in the Middle East did not in all respects coincide. Britain's long-standing economic and strategic interests sometimes set it in opposition to policies formulated in Washington. The rivalry of British and American companies in the exploitation and marketing of petroleum, the life blood of the Middle Eastern economy, occasionally found expression in sharp disagreements on the governmental level. More serious, though temporary, divergences had occurred in their relations with the governments of the Arab world, to which Great Britain had special treaty obligations, and with the emergent Jewish state of Israel. France, also a power with a long tradition of Middle Eastern interests, no longer counted heavily as a political factor in the region; but its preoccupation with retaining the French-dominated Moslem territories in North Africa and regaining some measure of influence in the Levant States (Syria and Lebanon) complicated the attempt to develop a common policy that would command the assent of Middle Eastern peoples.

The year 1949, so momentous in the history of great-power relations in Europe and the Far East, brought no new spectacular evidences of Soviet expansion in the Middle East which

could be compared with the pressure the Kremlin had exerted in the area in 1945–1947. The proximity of the Soviet Union was something that Turkey, Iran, and Afghanistan were never allowed to forget, and there were signs that Moscow might be planning a more determined bid for the favor of the Arab peoples than it had seen fit to make while the fate of Palestine was in the balance. Generally speaking, however, the "cold war" in the Middle East was in one of its inactive phases during 1949. The more significant events of the year had to do rather with the slow progress of the area toward an outlook and toward forms of political and social organization that were more in keeping with the requirements of the modern world.

Bitter racial, political, and religious antipathies—notably those between the Arab states and Israel, and between Pakistan and India—continued to keep the region in a turmoil from which no one but the Soviet Union could derive long-run advantage. Beneath these violent surface manifestations, however, a process of growth and adaptation was perceptible that gave hope for the gradual maturing of the countries and peoples involved. A new emphasis on economic development, in harmony with the Point Four program and United Nations endeavors, pointed a way toward eventual mitigation of the almost intolerable poverty in which the area's political and social instability was rooted. Such trends, which U.S. policy tried to encourage wherever possible, offered the best prospect of slowly increasing welfare and of more solidly based resistance to outside encroachments.

1. Turkey and Iran: The Southern Bastion

The countries that bordered the Soviet Union on the south comprised a distinct geographic subdivision within the general area of the Middle East. The mountainous terrain of eastern Turkey, Iran, and Afghanistan formed a natural barrier between the U.S.S.R. and the lands to the southward. Their peoples, ethnically and culturally, had affinities both with those of the neighboring Arab states and with those in ad-

joining areas of the U.S.S.R. Their geographic position and resources combined to place them in the first line of any forward move by Russia, and made them indispensable links in any system devised for the "containment" of Russian expansionism.

Since the war, both Turkey and Iran had experienced a vigorous revival of the Russian pressure that they had felt recurrently for at least a century and a half. Both, with Anglo-American encouragement, had held their ground with a determination that was deemed to qualify them for continuing Western support. Afghanistan had thus far been spared these more intense manifestations of Soviet interest. It, too, was clearly destined to play an important role in the relations between East and West, but its special situation may better be considered in connection with the problems of the Indian subcontinent on which it verged.[2]

Turkey, whose internal politics offered the rare spectacle of a dictatorship that was gradually evolving into a parliamentary democracy, belonged to both Asia and Europe and had a stake in the problems of both continents. Its Mediterranean position, and the known Soviet desire for a special voice in the control of the Straits, gave it great significance in relation to the security of Europe and the global communications of the other great powers. Soviet pressure on Turkey's eastern provinces, manifested chiefly in unofficial but persistent territorial claims to Kars and Ardahan, emphasized its equally vital role as a guardian of the gateways to southern Asia. This dual strategic function had been much in the minds of American policy makers in early 1947 when they determined to include Turkey within the scope of the "Truman Doctrine" and embarked on a program of military assistance, designed to bring the Turkish armed forces up to a more adequate standard of effectiveness and to reduce the crushing burden of military expenditures on the Turkish civilian economy.

Events since 1947 had underlined the solidity of Turkey's will to maintain its independence, and the wholehearted accept-

[2] Cf. below, pp. 418-420.

ance of a Western orientation by the government of President Ismet Inönü. Turkey became an original member of the 18-nation Organization for European Economic Cooperation (O.E.E.C.) in 1947, and was admitted to full membership in the Council of Europe at the Strasbourg session in August 1949.[3]

At the time of the negotiation of the North Atlantic Treaty, Turkish Foreign Minister Necmeddin Sadak made a number of statements emphasizing his government's desire to participate also in the collective security system of the Western powers, either through inclusion in the Atlantic pact or through membership in a related regional pact for the Mediterranean and/or the Middle East. It was not unnatural for the Turks, deeply committed as they were to a Western course, to feel some apprehension over their exclusion from an alliance system whose members might have a prior claim on American aid, which Turkey needed to maintain its independence of the U.S.S.R. Although the projected Mediterranean pact, like the similar proposals for the Far East, went considerably beyond American or British intentions, both Acheson and Bevin in speeches on March 18, 1949 took pains to reassure Turkey—as well as Greece and Iran—of their governments' determination to continue supporting the independence and integrity of nations outside the North Atlantic Treaty area.

The guiding objective of the U.S. aid program in Turkey was to enable the Turks to maintain a smaller but more effective armed force, more nearly within the capabilities of their economy. President Truman's quarterly reports to Congress on the Greek-Turkish aid program evinced great satisfaction with the progress of the Turkish army, navy, and air force, thanks to the introduction of American training methods and up-to-date American combat material. Assistance in highway design and construction under the same program promised both military and economic advantages. Under the Mutual Defense Assistance Act of 1949, a further sum of $211,370,000 was allocated

[3] Cf. above, pp. 113-114.

for Greece and Turkey.[4] The latter had received $152,545,000 in military aid in the first two years of the Greek-Turkish aid program; its share in the new allotment was not publicly announced.

Turkey's major economic problems were the result of ten years' continuous military mobilization and the expenditure of something like 40 percent of the national budget on military preparedness. In order to maximize productive investment of the country's resources, the government rigidly restricted imports of consumers' goods, which were limited to 25 percent of total imports. In common with most Middle Eastern countries, Turkey had a sizable deficit in its foreign trade. Its total imports in 1949 were estimated at $300 million, and exports at $248 million, the gap being filled principally by $30 million in direct ECA aid and $13.3 million in drawing rights on other ERP countries. Although the dollar gap widened with the commencement of large-scale imports under the Marshall Plan, there was encouragement in the fact that the over-all trade deficit in 1949 was reduced by 46 percent as compared with 1948.[5]

Turkish politics, meanwhile, gave evidence of what seemed remarkable stability, as the slow growth of education and political experience prepared the ground for the development of a genuine multiparty system to replace the long-standing one-party rule of the late Kemal Atatürk's Republican People's party. The various opposition groups, of which the four-year-old Democratic party of Celal Bayar was the most prominent, still showed occasional signs of an inexperience that was equally characteristic of the government in its dealings with the opposition. There was an uncomfortable moment in November when the government, claiming to have uncovered an opposition party plot to assassinate President Inönü, arrested several suspects only to release them a few days later for lack of evidence. By and large, however, the Turkish situation seemed to warrant

[4] Above, p. 84.

[5] Cf. D. S. and P. G. Frank, "The Middle East Economy in 1949," *Middle East Journal*, IV, April 1950, 228-230.

U.S. Ambassador George Wadsworth's description of "immensely sound." Turkey, said the Ambassador, as he arrived in the United States from Ankara on January 2, 1950, "is in the best shape of any country in Europe. If the Turks hold, and they are holding in the cold war, then the Near East is safe." [6]

Iran, Turkey's eastern neighbor, possessed equal strategic importance but had not yet received American aid or become associated with the West in anything like the same degree. Through Iranian territory ran the main overland routes between the southern U.S.S.R. and the Persian Gulf, routes that had played a vital part in supplying the Red Army in the war against the Axis. Iran's proximity to the oil fields and industrial installations of the Soviet Caucusus made the Kremlin peculiarly sensitive to foreign military activity on Iranian soil, while the vast, incompletely developed oil resources of Iran itself made it a tempting prize which would have incalculable importance for the Soviet war machine in case of hostilities. Should war break out, the U.S.S.R. might very well make Iran its initial target in order to protect its own southern flank and wrest the oil installations of the Persian Gulf area from its opponents.

The importance which the Soviet Government attached to Iranian affairs was obvious to the most casual observer of postwar politics. The first serious collision among the great powers in the young United Nations organization had grown out of the U.S.S.R.'s attempt to retain a foothold in northern Iran after the war, using its military occupation as a screen for the setting up of an autonomous pro-Soviet government in the northern province of Azerbaijan. Since the belated withdrawal of Soviet troops under the pressure of world opinion in 1946,[7] the Teheran government had been obliged on several occasions to reemphasize its refusal to compromise Iran's independence by granting special rights and privileges to its powerful neighbor.

On the other hand, Iranians had no desire to save their independence from one power by handing it over to another, and

[6] *New York Times*, January 3, 1950.
[7] *The United States in World Affairs, 1945–1947*, 109-110.

made no great haste to throw themselves into the arms of the West. To be sure, American aid was welcomed in the form of advisory training missions to the Iranian army and gendarmerie, and of a $25 million loan to permit the acquisition of war surplus equipment. In resisting Soviet encroachments, as when the parliament (Majlis) rejected a too generous oil agreement with the U.S.S.R. late in 1947, Iranians counted heavily on the likelihood of Western diplomatic support in case the Soviet reaction reached a dangerous pitch of violence. But neither Iranian nor American actions had given any justification for the shrill assertions of Soviet propaganda that Iran was being converted into an American base for attack against the U.S.S.R.

A pronounced intensification of such accusations was observable in the Soviet press and radio broadcasts during the early weeks of 1949, while the Atlantic pact was under negotiation in Washington. The union of the Western nations against possible Soviet aggression seemed to have heightened the Kremlin's uneasiness about adjacent countries like Iran, Turkey, and Finland, which lay outside the scope of the proposed treaty but might be in need of a reminder that it was dangerous to forfeit the good will of the Soviet Government. Supplementing the propaganda attacks was a renewal of the agitation that periodically swept over some of Iran's border peoples, whose close ties with their kinsfolk beyond the Soviet frontier made them accessible to manipulation by Soviet agents. The Kurdish tribes, in particular, whose homeland embraced parts of Iran, Turkey, and the Soviet Union, came into prominence once again as a potential source of unrest in one of the key areas of the Middle East.

Quite probably by pure coincidence, on February 4 an unsuccessful attempt was made on the life of Iran's Shah Mohammed Reza Pahlevi. The government, profiting by demonstrations of affection for the young ruler, acted decisively to eradicate the chief source of pro-Soviet agitation within the country. On February 5 it dissolved the Tudeh (Masses) party, the standard-bearer of Soviet interests in Iran since 1945–1947, as the alleged vehicle of a widespread anti-government plot.

Through the spring Iran continued to feel the weight of Soviet displeasure. The Baku radio, unimpressed by a formal American disclaimer of aggressive aims in Iran,[8] issued pointed reminders that the Soviet-Iranian treaty of 1921 authorized the U.S.S.R. to send troops into Iran if the country were turned into a base for anti-Soviet military operations. In April the Soviet Ambassador mysteriously took his departure, and the Soviet consular offices at Tabriz and three other points in Azerbaijan were closed without explanation. A series of frontier clashes culminated in August in a five-hour battle in the Khorasan area in the northeast and the seizure of 16 Iranian hostages. Realization that its menacing attitude was rapidly effecting a further rapprochement between Iran and the United States may have prompted the Kremlin to diversify its war of nerves with occasional friendlier gestures: during the autumn shipments of wheat from the Soviet Union were helpful in meeting a grain deficit which Iran had been unable to make good on satisfactory terms from American sources.

Iranian steadiness in the face of this semi-permanent Soviet campaign was all the more remarkable in view of the conspicuous shortcomings of the Iranian political system. Nominally a constitutional monarchy, Iran still lacked nearly all of the prerequisites for democratic government. The vast majority of the electorate was impoverished, illiterate, and uninformed. Politics and administration were the preserve of a landed and mercantile aristocracy that was not only narrow but often selfishly corrupt, and which stood resolutely in the way of effectual social and political reform.

Hopes of improvement centered mainly on young foreign-educated Iranians and especially on the personality of Mohammed Reza Shah, who appeared sincerely desirous of remodeling the country within the framework of a constitutional system. Taking advantage of the wave of monarchist sentiment that followed the attempt on his life, the Shah in May 1949 secured a number of amendments to the constitution which were designed to curb the obstructive powers of the Majlis—in which

[8] *Department of State Bulletin*, XX, April 3, 1949, 432.

the aristocratic opposition to reform centered—by authorizing the sovereign to dissolve parliament and by establishing an upper chamber to consist half of elected representatives and half of royal appointees. In Iran's situation such measures pointed the way to more realistic and effective government; but they depended too much on one man to offer sure guarantees of progress.

As in most Asian countries, the real key to social and political advance was to be found in measures to overcome deficient communications, backward economic organization, and precarious standards of health, education, and popular welfare. The Iranian Government was fully aware of this basic requirement, and its unusually circumspect approach to the problem bore impressive fruit in the announcement during 1949 of a comprehensive Seven-Year Plan of economic development, to be carried out with the aid of foreign technicians at an estimated over-all cost of $650 million. Drawn up after extensive surveys by American engineering specialists retained by Overseas Consultants, Inc., the Seven-Year Plan covered virtually all major aspects of the Iranian economy—transportation, irrigation and flood control, expansion of light industry, broader development of the country's oil resources, and measures of public health and rural education. Although no major inroads on Iran's semi-feudal landholding system were contemplated, the area of cultivable land was to be increased by irrigation and reclamation.

A remarkable feature of the plan was the fact that it was to be financed primarily from Iran's own resources. The richest of these, in the form of royalties from the Anglo-Iranian Oil Company, were expected to carry most of the costs in the early stages and to provide 35 percent of the total financing; internal monetary and financial measures were to cover perhaps another third, with the result that not more than a third would have to come from foreign sources like the International Bank. Technically the plan appeared remarkably sound. The obstacles to its realization would lie chiefly in the political realm: in the somewhat unequal devotion to the public weal of Iranian administrators and bureaucrats; in the resistance of the reactionary classes

which read in the plan the doom of Iran's old order; and in the response of the Soviet Union, which could not fail to perceive that such a program would promote the growth of a firmer, more closely knit society with greater powers of resistance to Soviet manipulations.[9]

A most persuasive account of the interdependence of economic development, political progress, and military security in Iran—and, indeed, throughout the Middle East—was presented to the American public in the last weeks of 1949 by Mohammed Reza Shah himself, who devoted the late autumn to an official "good-will" visit to the United States on the invitation of President Truman. In a series of formal appearances in Washington and New York preceding his departure on a tour of American factories, farms, and defense installations, the personable young ruler outlined his country's problems with both frankness and tact. While carefully avoiding criticism of the U.S.S.R.—relations with that country, he intimated more than once, might be considered "a little better"—he left his hearers convinced of the importance Iran attached to American help in steering the difficult course ahead of it.

Both economic and military assistance were required, said the Shah, to ensure Iran's survival as an independent nation. Outlining his proposed course of action under the Seven-Year Plan, he spoke of the need to eradicate corruption among Iranian officials and exert pressure against large landowners; of the opportunities for private investment in Iran, and the desirability of finding $250 million from foreign sources in order to carry out the entire project.[10] But, he said, the wisest plans for developing the country's human and material resources "cannot be pursued with vigor and effectiveness if the threat of aggression, in whatever form or wherever arising, is to divert Iran from her pressing domestic tasks." At present, because of "inadequate defensive means," Iran lacked "assurance of survival." Pointing out that the possession of modern defensive equipment

[9] Cf. T. Cuyler Young, *loc.cit.*, 284-289; "The Iranian Seven Year Development Plan," *Middle East Journal*, IV, January 1950, 100-105.
[10] See especially *New York Times*, November 21, 1949.

threatened no one and was a universal aim of all governments, he expressed an earnest hope for broadened Iranian-American collaboration "in national defense, in economic development, in the achievement of social progress based upon increased production and a higher standard of living." [11]

These utterances brought no immediate, concrete results. There was no way of increasing the modest $27,640,000 that was to be shared by Iran, Korea, and the Philippines under the Mutual Defense Assistance Act; nor had Iran as yet made formal application for any new American loan. Yet the intangible results of the royal visit, in terms of broadened understanding and solidarity, were considerable. Their recognition was embodied in the four-point declaration which President Truman and his visitor issued jointly before the Shah's departure on December 30.

In substance the joint statement was little more than a reaffirmation, with the Shah's concurrence, of well-known principles of U.S. foreign policy—support of the United Nations, concern for Iran's independence and integrity, and assistance in economic development and the maintenance of freedom. The President offered no direct financial aid, but promised American support of economically sound Iranian loan requests to the International Bank, and technical assistance "under Point 4 and otherwise." In the military realm, he said, the United States would "continue to bear in mind Iran's defense needs in connection with further foreign assistance [programs] which may be considered by the United States Government." [12] These declarations committed neither the United States nor Iran to anything new; they did not, for example, admit Iran to the type of guarantees extended under the North Atlantic Treaty. Their importance lay in the recognition, more explicit than at any previous time, that despite these limitations the two countries had significant interests in common.

[11] Address at the Council on Foreign Relations, New York, November 21, reported *ibid.*, November 22, 1949.
[12] *Department of State Bulletin,* XXII, January 9, 1950, 54-55.

2. *The Arab States and Israel*

The realism and firmness of purpose that distinguished the governmental leaders in Turkey and Iran was less conspicuous in the governments of the seven Arab states that occupied the critical area between the Eastern Mediterranean and the Indian Ocean. Protected by intervening territory against any sense of imminent menace from the U.S.S.R., these governments were free to operate in a way that advertised both their mutual distrust and the common animosity of their peoples toward anything associated, however remotely, with the hated phenomenon of Western "imperialism." Since the war and especially since the termination of Britain's Palestine mandate in May 1948, this universal xenophobia had focused primarily on the new Jewish state of Israel, which was regarded throughout the Arab world as a gross infringement of Arab rights and a harbinger of a new and more deadly imperialism sponsored primarily by the United States. The unsuccessful war against Israel which convulsed the entire Arab world in 1948 continued to exert its malign effects thereafter in a general disruption of economic life and government finances, displacement of masses of refugees, instability of cabinets, and conditions of tension and unrest which threatened to defer indefinitely the restoration of tranquility in the area as a whole.

Preoccupation with the Palestine issue helped the Arab world to forget that its real problem of adjustment to twentieth-century conditions was of a deeper sort. Thirty-eight millions of people could not lead a decent existence in this largely infertile region, could not successfully maintain their recently acquired independence, unless their collective energies were guided into more promising channels. The exasperated nationalism that struck outsiders as the foremost quality of politically articulate Arabs was not unrelated to the hard, squalid, and often hopeless condition of the Arab masses. Both were characteristic features of a situation in which material progress had failed to keep pace with the march of new ideas. A more temperate political outlook was unlikely to develop except through

bettered material circumstances and the discipline of experience.

Efforts toward reform and modernization were not lacking in the Arab world, but faced serious and diverse obstacles. The political life of the individual Arab states tended to approximate either the semi-patriarchal, absolutist regime of Saudi Arabia or the unstable parliamentarism and bureaucratic corruption which flourished in some of the states that had been more exposed to Western influences. There was a widespread conviction—both sentimental and practical—of the need for "unity" among the Arab peoples. Such aspirations had given birth to the Arab League in 1945. In practice, however, Arab unity was impeded not only by profound differences in social and cultural development but also by the conflicting ambitions and dynastic rivalries of the Arab rulers, notably Abdullah of Jordan (Transjordan), Farouk of Egypt, and Ibn Saud of Saudi Arabia. Even at the most critical times, the tide of progress could not be entirely held back; but its operation in 1948 and 1949 was largely obscured by the kaleidoscopic surface of Arab politics.

Set down in the midst of this turbulent region was the new state of Israel, which Zionist leaders had proclaimed on the expiration of the British mandate and which had made good its right to exist by defeating the combined forces of the Arab League in the campaigns of 1948. The results of the fighting differed considerably from the intentions expressed by the U.N. General Assembly in its famous "partition" resolution (No. 181) of November 29, 1947. The Assembly had contemplated a division of Palestine into Jewish and Arab states, each a patchwork of separate territories, linked in an economic union. The city of Jerusalem was to become "a *corpus separatum* under a special international regime" to be administered by the United Nations.

The objective of the Arab armies which pressed forward into Palestine as the British withdrew had been to defeat this intention by preventing the creation of a Jewish state. Israel, however, not only held its ground but succeeded in repelling the

invaders and occupying territory well beyond the limits contemplated by the General Assembly. The armistice agreements eventually concluded with the chief Arab belligerents in the first part of 1949 left Israel in de facto control of all Palestine except for (1) the extensive central area west of the Jordan, held by troops of the Jordanian Arab Legion; (2) the narrow Gaza coastal strip in the southwest, held by Egypt; and (3) a number of small demilitarized zones and "no man's lands" near the armistice lines. Israel held the western portion (New City) of Jerusalem; Jordan was installed in the eastern portion or Old City.[13]

The primary aims of the Israeli Government were to convert these armistice demarcation lines into permanent frontiers, strengthen the foundations of the young Jewish state sufficiently to survive in a hostile environment, and hold open the gates of Israel to unlimited immigration of Jews from other lands. The difficulties in the way of this threefold aim were tremendous. Small, largely desert, and endowed with mediocre natural resources, Israel could hope to support its rapidly growing population—which passed the one-million mark in mid-1949—only by linking its economy to that of the surrounding Arab states or depending on continued heavy subsidies from abroad.

Neither prospect was very encouraging. Violent Arab enmity excluded any early return to normal economic relations. Aid from abroad, generous while the war was on, tended to fall off sharply once the military phase of the struggle was ended. On the other hand, there was no let-up in the tide of immigration. New arrivals pouring in at a rate of something like 1,000 a day taxed the country's resources—already overstrained by its herculean military effort—almost beyond endurance. They also dramatized one of the main obstacles to peace with the Arab countries, since the Israeli Government insisted on giving new immigrants first preference and refused to readmit more than a handful of the Arab refugees who had fled by the hundreds of

[13] Cf. *The United States in World Affairs, 1948–1949*, 375-407 and map on p. 380. An armistice agreement between Israel and Syria, signed on July 20, 1949, ended the military phase of the conflict.

thousands and now existed in miserable conditions outside the provisional Israeli frontiers.

Efforts by the United Nations to resolve this intricate situation and find a basis for permanent peace in Palestine continued throughout 1949. With the conclusion of armistice agreements through U.N. mediation, the main responsibility for peacemaking devolved upon the three-power Palestine Conciliation Commission—representing France, Turkey, and the United States—which the General Assembly had set up "to assist the Governments and authorities concerned to achieve a final settlement of all questions outstanding between them." [14] The progress of the pacification effort was influenced at various points both by political machinations among the Arab states and by the attitudes of the great powers directly interested in the area, chiefly Great Britain, the United States, and the U.S.S.R. Stabilization of the military situation through the armistice agreements lessened the area for great-power maneuvering, but the actions of each of the three governments continued to reflect the influence of its special situation and objectives.

The United Kingdom, which emerged from the war as the preponderant influence in the Arab world, had fought a losing battle to maintain its prestige and position in the Middle East in face of the Arab states' determination to rid themselves of all special obligations to their former mandatory and protective powers. The Palestine conflict had added to the difficulty of an undertaking which was dictated by recognized economic and strategic interests, but had little prospect of success because it went directly against the current of Arab nationalism. Failing to renew Britain's long-term treaties with Egypt and Iraq on satisfactory terms, the Labor government had tried at least to avoid implication in the Arab resentment over Palestine. Its partiality to the Arab cause had been sufficient to produce strained relations with Tel Aviv and considerable ill feeling in

[14] General Assembly Resolution No. 194, December 11, 1948. Mark Ethridge, Paul A. Porter, and Ely Eliot Palmer successively represented the U.S. on the Conciliation Commission.

the United States, but still had not gone far enough to appease the Arabs.

Although official pro-Arab tendencies in London were greatly moderated after Israel was granted de facto British recognition in January 1949, efforts to retain the good will of the Arab countries continued. Shipments of military equipment to certain of the Arab states were resumed, despite bitter Israeli criticism, as soon as the United Nations ban on such deliveries was lifted. Such resources as Britain could spare for investment outside the British possessions went largely to Arab countries. As the year advanced, however, Britain also moved toward rapprochement with Israel. Discussions on the intricate financial problems growing out of the Palestine mandate were begun in July and led eventually to agreement early in 1950. As passions cooled on both sides, it appeared that the only fundamental bar to cordial relations was Britain's policy of arms aid to the Arab countries. This the British might regard as legitimate fulfillment of a treaty obligation, but to the Israelis it looked like open encouragement to Arab hopes of resuming the war on more favorable terms.

The United States, whose seemingly irresolute course in Palestine had occasioned lively dissatisfaction both at home and abroad, had been hardly more successful than Britain in its attempt to reconcile immediate and long-range interests in the area. Its underlying objectives had been to retain the friendship of both Jews and Arabs, and to work through the United Nations in promoting general conditions conducive to Middle Eastern stability and peace; but these abstract goals had become all but meaningless amid the bitter antagonism of the warring parties and the pressures to support one side or the other. The economic and strategic importance of American oil interests, especially in Saudi Arabia and Bahrein, had counseled a policy friendly to the Arabs if a choice had to be made. Military considerations had pointed in the same direction. But the Palestine problem had also involved emotional and moral issues so important to both pro- and anti-Zionists that such "practical" considerations had tended to disappear from view. The product

of these conflicting influences was a record that was neither sufficiently favorable to Israel to satisfy pro-Zionist opinion nor sufficiently responsive to Arab feeling to escape the bitter resentment of the Arab world.[15]

Once the Jewish state was established, the United States extended it diplomatic and economic support—including an Export-Import Bank credit of $100 million, available through 1949—and exerted itself to speed the conclusion of peace and a return to conditions in which a friendly gesture to one party need not be interpreted by the other as a manifestation of deadly enmity. To this end the United States urged moderation on Israel as well as the Arabs, though without inducing either side to lessen the intransigence that was causing the peace negotiations to get nowhere. As the sterility of the Conciliation Commission's efforts became unmistakable, U.S. initiative was largely responsible for the decision to set up a U.N. Economic Survey Mission whose task was to set the peace negotiations in the realistic framework of Middle Eastern economic problems.

The hand of the U.S.S.R. was not conspicuous in the affairs of Palestine and the Arab world, where the Soviet Union had few supporters and still fewer direct interests. To all appearances, this was one of the areas in which Moscow saw no reason to involve itself directly because it could not possibly add to the confusion and disunity that prevailed already. Soviet propaganda, both in and outside of the United Nations, had found plenty of ideological fault with all parties in the Palestine conflict; but the Kremlin had generally avoided any unequivocal stand in favor of either the Zionists or the Arabs. In supporting the U.N. partition plan, it had appeared to reason that partition would (1) lessen the influence of the U.S. and U.K. in the Middle East, and (2) perpetuate strife and unrest, to the detriment of the Western powers and the ultimate advantage of Communism. Subsequent Russian moves seemed in no way to conflict with that general aim.

[15] An excellent analysis of the factors involved in U.S. policy toward Palestine is that of J. C. Hurewitz, "Crisis in the Arab East," *Foreign Policy Reports*, XXV, March 1, 1950, 253-255.

The Arab states, which had once sworn never to accept partition, emerged from the war embittered and disunited in practically everything except their inextinguishable hostility to Israel. The Arab League, under whose banner they had invaded Palestine, was all but shattered as a result of the quarrels that had sprung up in the course of military operations. Old jealousies and rivalries had broken out with renewed energy as soon as the enterprise began to miscarry. Jordan and Iraq, Syria, Lebanon, and Egypt all pursued their separate aims while the more distant states of the Arabian peninsula, Saudi Arabia and Yemen, showed unmistakable signs of impatience and disgust.

The recently established Kingdom of Jordan,[16] under its cosmopolitan British-oriented ruler Abdullah ibn Husayn, was near the center of most of these maneuvers. Gifted with an unquenchable taste for political intrigue, Abdullah used his diplomatic talents and his British-subsidized Arab Legion to play a role in Arab affairs that was out of all proportion to the resources of his small and thinly populated country. One of his favorite projects was the creation of a "Greater Syria" through the union of Jordan, Syria, Iraq, Palestine, and possibly Lebanon under his own rule. His evident designs on the unappropriated portions of central Palestine, which were occupied by Jordanian forces, had occasioned a crisis in Arab League affairs late in 1948 and were reflected in the disappearance of the first syllable of the name "Trans-Jordan" in the spring of 1949.

The balance of power in the Arab world could not admit of any such accession of strength to one of its members. All other Arab governments sharply condemned the intended annexation of Arab Palestine, which Abdullah's parliament heartily espoused. The "Greater Syria" project found its most resolute opponents in Saudi Arabia and in Egypt, which was by far the wealthiest and most populous of the Arab countries and did not wish to see its preeminence challenged by a rival power artificially compounded from two or three of the existing states.

[16] The former British mandate of Transjordan obtained its independence in 1947 and was granted full U.S. recognition as the Hashemite Jordan Kingdom on January 31, 1949.

Lebanon, with its Christian Arab majority, was disinclined to enter such a union with a Moslem country. In Syria and Iraq opinions were divided, but there was sentiment in both for some form of association with one or more neighboring states.

Such projects played a considerable part in the months-long political turmoil that began in Syria on March 30 when Colonel Husni Za'im, Chief of Staff of the Syrian army, executed a bloodless coup d'état, detained the leaders of Syria's parliamentary regime, and established himself as a dictator pledged to the restoration of "good government." The ease with which the remnants of the old political system—already discredited by the Palestine debacle—were swept away illustrated the frailty of Arab parliamentary institutions and their lack of strong popular roots. Za'im's coup reflected a widespread recognition of the need for fundamental reforms; but it soon became clear that the new "strong man" was not the proper person to institute them.

By the time he had contrived the abolition of parliament and the political parties, the summoning of a sham constituent assembly, and his own elevation to Marshal and provisional President, Za'im's reformist zeal seemed to have exhausted itself. Meanwhile his erratic foreign policy alienated first one and then another group of supporters. A preliminary flirtation with Iraq and Jordan, a passing quarrel with Lebanon, bitter recriminations with King Abdullah, and steps toward a military alliance with Egypt advertised his lack of settled political principles. Worse still, he became suspected of tenderness toward the "imperialist" West. Pipeline agreements with British and American oil companies might be justified on economic grounds, but Syrians could find no justification for his reputed partiality to France,[17] the former mandatory power. In mid-August, a second military coup d'état took place. Za'im was removed from the scene, court-martialed, and executed in the space of a few hours.

The tendency of this second coup, which resulted in the formation of a civilian cabinet and preparations to reestablish a

[17] Cf. Alford Carleton, "The Syrian Coups d'Etat of 1949," *Middle East Journal*, IV, January 1950, 1-11.

constitutional regime, was progressive. Its immediate effect, however, was a violent reversal of Syrian foreign policy and a new crisis in the Arab League. Syria's negotiations with Egypt were dropped; in their place, agitation developed for a federation between Syria and Iraq. The initiative, apparently, came from Crown Prince Adbul-Ilah, Regent of Iraq and a nephew of Abdullah of Jordan. Visits by the Regent to London and Damascus, and official Iraqi declarations of readiness to unite with Syria if the latter desired it, kept the Arab world on tenterhooks for some six weeks in September and October. Egypt and Jordan manifested lively opposition to the scheme, and the Council of the Arab League was convoked—its first meeting since the Palestine war—to consider this new cabal together with the problems raised by Abdullah's individualistic policy in Palestine.

Then, suddenly, the ferment subsided, although intrigues continued beneath the surface and were to bring on a third military coup in Syria before the year was out. Egypt, apparently nearing the limits of its patience, advanced a new idea—an Arab "collective security" system involving a common defense council, removal of trade barriers, and over-all policy coordination among the Arab states.

Whatever motives inspired the Egyptian project, it had the merit of diverting attention from practical inter-Arab differences and reinforcing the idea of Arab unity on the theoretical level. On October 30 the Arab League Council gave its approval in principle and commissioned a group of legal and political experts to draft a suitable pact. Before adjourning it also named a permanent committee on Palestine, whose task was blandly defined as the development of a "unified" Arab policy on that contentious issue. It had already been agreed that Jordan's unilateral actions would be reserved for later consideration, and that the individual Arab states would be free to follow their separate lines in the debate on Palestine which was even then going forward in the General Assembly.

Three interrelated questions composed the Palestine deadlock with which the U.N. Conciliation Commission, vainly hoping to report some progress to the General Assembly, had wrestled

throughout the summer. These were (1) the future frontiers of Israel, (2) the future status of Jerusalem and the Palestine Holy Places, and (3) the fate of the Arab refugees. On all three questions official Israeli and Arab views had proved utterly irreconcilable. Though the opposing delegations had never met —the Arabs having steadily refused to enter direct negotiations —each side knew the other's mind too well to entertain the notion of compromise. Even the order in which the three topics should be discussed had eluded satisfactory agreement. Israel refused to discuss the refugees until its frontier claims were satisfied; the Arabs would not discuss frontiers until Israel agreed to take back the refugees.

The Conciliation Commission's main achievement had been a protocol, signed separately by Arab and Israeli negotiators on May 12, accepting the boundaries set forth in the United Nations partition plan of 1947 as the basis for a discussion of the "territorial adjustments" that would be necessary to effect a general settlement.[18] Israel, however, envisaged "adjustments" of a very far-reaching character. Its position, as outlined by Foreign Minister Moshe Sharett to the Israeli parliament (Knesset) on June 15, was that any "realistic" negotiations would have to start from the provisional boundaries established by the armistice agreements. The Arab negotiators, on the other hand, refused to talk on a basis that recognized the Israeli conquest of territories designated as Arab in the partition plan.

Opinions on the future status of Jerusalem were more diversified. In setting up the Conciliation Commission, the General Assembly had reaffirmed its intention to place this center of three faiths under international protection, and had instructed the Commission to prepare detailed proposals for "a permanent international regime . . . which will provide for the maximum local autonomy for distinctive groups consistent with the special international status of the Jerusalem area." [19] The principle of

[18] U.N. Conciliation Commission for Palestine, Third Progress Report, June 13, 1949 (U.N. Document A/927, June 21, 1949). Egypt, Jordan, Lebanon, and Syria were the four Arab states taking part in the negotiations.

[19] General Assembly Resolution No. 194, December 11, 1948. The internationalized area which was to be placed "under effective United Nations control" was

internationalization, originally accepted by both Arabs and Zionists, had great appeal for many friends of the United Nations and also corresponded with the strongly expressed preferences of the Vatican. A papal encyclical issued on April 15, setting forth the Holy See's concern for the protection of various Catholic interests in Palestine, urged "our children wherever they may live" to put pressure on their governments to see that effective internationalization was brought about.

The obstacles to internationalization were the profound Jewish emotional attachment to Jerusalem and the fact that the city was actually occupied by Israel and Jordan, neither of which wished to give up the districts it held. Internationalization, said the Israelis, no longer corresponded to reality. They were quite willing to guarantee the rights of all faiths in the Holy City, and to accept full U.N. supervision of the Holy Places (most of which were located in the Arab-held Old City); but Jerusalem—meaning the New City—must be theirs. Israel without Jerusalem, declared Sharett, was inconceivable. Abdullah seemed to take a similar view regarding the Old City. While the other Arab states continued to call for internationalization, his own determination to hold what he possessed became increasingly clear. By October he was quoted as saying Jerusalem would be internationalized "over his dead body." [20]

By common consent, no proper solution of the territorial or the Jerusalem issue was likely without an agreement on the refugee problem. To Egypt, Jordan, Lebanon, and Syria the displaced Palestine Arabs—numbering as many as 940,000, according to the best available estimates [21]—were more than an in-

to include both the municipality of Jerusalem and the surrounding villages and towns, including Bethlehem. Protection of and access to Holy Places elsewhere in Palestine was to be formally guaranteed by the local political authorities.

[20] *New York Times,* October 13, 1949.

[21] United Nations, *Annual Report of the Secretary-General on the Work of the Organization, 1 July 1948–30 June 1949* (General Assembly, *Official Records, Fourth Session,* Supplement 1, Lake Success, 1949), 102. The U.N. Economic Survey Mission, as a result of its investigations in the autumn, concluded that the total number of refugees actually did not exceed 774,000 and that only 652,000 persons should be considered eligible for U.N. relief. The major concentrations of refugees, it reported, were in Arab Palestine west of the Jordan (280,000), the Gaza strip (200,000), Lebanon (97,000), Syria (75,000), Jor-

tolerable economic burden. They also represented the last available means of contesting the Jewish character of the territory held by Israel.

The Conciliation Commission had been instructed "to facilitate the repatriation, resettlement and economic and social rehabilitation" of the refugees in accordance with the principle that "refugees wishing to return to their homes and live in peace with their neighbors should be permitted to do so at the earliest practicable date." This principle, like other features of the Commission's terms of reference, was wholly agreeable to the Arab governments but quite unacceptable to Israel, which was determined not to readmit the refugees but to hold its doors wide open to Jewish immigration. The United States made several attempts to persuade the Israelis to readmit a substantial number of refugees, as well as moderating their stand on territorial questions, but this intervention accomplished little except to irritate the Israelis. The most that Israel would concede—in response to direct U.S. pressure, according to Prime Minister David Ben-Gurion [22]—was an offer to the Conciliation Commission on July 20 to take back 100,000 refugees, including 25,000 already returned and 10,000 members of divided families. This, said the Israeli delegate, was his government's "last possible" word, effective only as part of a general settlement.

The fruitlessness of these exchanges determined the Conciliation Commission to try a new tack, based on the economic aspects of the refugee problem. The reason the refugees were such a burden was that the resources of Palestine and surrounding areas simply could not, in their present state of development, support all the people who had to be supported. The approaching expiration of the emergency U.N. Relief for Palestine Refugees,[23] and the mounting discontent among the refu-

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dan (70,000), and Israel (31,000 Arab and 17,000 Jewish refugees). U.N. Conciliation Commission for Palestine, *Final Report of the United Nations Economic Survey Mission for the Middle East,* U.N. publication 1949.II.B.5 (Lake Success, 1949), I, 18.

[22] Statement to the Knesset, August 2, 1949.

[23] Cf. above, pp. 331-332.

gees themselves, highlighted the continuing nature of the problem and its close relation to the poverty of the Middle East as a whole.

On August 23 the Commission, acting on a suggestion generally credited to George C. McGhee, U.S. Assistant Secretary of State for Near Eastern Affairs, established an "Economic Survey Mission for the Middle East" to examine the economic situation in countries affected by the recent hostilities, and to recommend measures designed to overcome the resultant economic dislocations, "reintegrate the refugees into the economic life of the area on a self-sustaining basis within a minimum period of time," and "promote economic conditions conducive to the maintenance of peace and stability in the area." Gordon R. Clapp, chairman of the board of directors of the Tennessee Valley Authority, was appointed to head the mission. The inclusion of other leading authorities on developmental problems in its 40-man membership emphasized its kinship with the Point Four program and related endeavors under the auspices of the United Nations.

In its field investigations during the autumn the Economic Survey Mission encountered a great though diminishing hostility on the part of the Arab governments, who inclined to view its operations as a Machiavellian device of the United States to force them to accept the refugees. In a sense their apprehensions were well founded. The mission was quick to see that the Arab-Israeli political stalemate precluded "any early solution of the refugee problem by means of repatriation or large-scale resettlement." On the other hand, Mr. Clapp and his associates saw no reason why the refugees should not be given the opportunity for productive work which would benefit them and the countries sheltering them. Land improvement, small-scale irrigation work, road construction, and sanitation and housing projects could be undertaken at relatively small cost and should have "a dynamic and cumulatively beneficial effect on the whole situation." In an interim report dated November 6, accordingly, the mission recommended that the existing U.N. emergency

relief operation be terminated as of April 1, 1950 and replaced by a new U.N. program of combined relief and public works.[24]

The acceptance of this recommendation by the General Assembly, whose resolution of December 8 (No. 302) established a U.N. Relief and Works Agency for Palestine Refugees with an 18-month budget of $54.9 million, has been noted in an earlier chapter.[25] Adopted without dissent, the resolution avoided the political aspects of the refugee problem and thus spared the Assembly the humiliation of expressing wishes that would in all probability be disregarded by the parties to the dispute.

The Assembly failed to exercise an equal caution when it reaffirmed its insistence on the internationalization of Jerusalem, in the face of open warnings by Israel and Jordan that neither would relinquish its present grip on the Holy City. The Conciliation Commission, in accordance with the Assembly's instructions, had submitted to it a plan of internationalization which endeavored to take account of the existing situation by dividing the city into Jewish and Arab zones and setting up a dual administration under the general supervision of a U.N. commission.[26] This proposal aroused dissatisfaction in many quarters. It involved too much internationalization to suit Israel and Jordan, but not enough to suit the other Arab states, the Vatican, the Soviet bloc, Australia, and various other U.N. members, especially those Latin American governments which were sensitive to the wishes of the Holy See.

Australia led a powerful movement to go back to the strict internationalization concept of the original partition resolution of 1947. As amended in the course of debate, the Australian draft (1) emphatically reaffirmed the principle of internationalization; (2) called on the Trusteeship Council to disinter and refurbish an "international statute" for Jerusalem which that body had drafted many months earlier, before the Palestine war, and to "proceed immediately with its implementation,"

[24] *Final Report of the . . . Economic Survey Mission,* cited, I, 16-17.
[25] Above, p. 332.
[26] U.N. Document A/973, September 12, 1949.

not allowing itself to be diverted by "any actions taken by any interested Government or Governments"; and (3) hopefully called on the states concerned to give formal undertakings that they would "approach these matters with good will and be guided by the terms of the present resolution."

Neither Jordan nor Israel had the slightest intention of complying. Israel, which was rapidly moving its governmental offices into Jerusalem and preparing to transfer the capital from Tel Aviv, offered "functional internationalization" for the Holy Places but flatly rejected administrative internationalization. Jordan, participating in the debate as an interested nonmember of the U.N., declared itself generally satisfied with the existing arrangements and announced that it would oppose any decision "contrary to its rightful wishes." Other delegations—among them those of Great Britain, Sweden, the Netherlands, the United States, Canada, Guatemala, and Denmark—attacked the Australian resolution as impractical and reminded the Assembly that it would do the world organization no good to hand down a decision it could not enforce. A number of compromising and temporizing proposals were put forward without success. The combination of Arab bloc, Latin American bloc, and Soviet bloc carried all before it, and on December 9 the Australian resolution (No. 303) was adopted by 38 to 14, with 7 abstentions—negative votes being cast, among others, by the U.S. and U.K.

The next day the Assembly appropriated $8 million to cover the expenses of "implementation." How the terms of the resolution were to be carried out, however, no one could say. The Israeli Government, with the enthusiastic support of the Knesset, speeded up the transfer of ministries and prepared to move to Jerusalem officially as of January 1, 1950. The Trusteeship Council, meeting in special session at Lake Success to begin work on the Jerusalem statute, rejected a U.S. proposal for delay and voted, 5 to 0 with 7 abstentions, to express "concern" at the Israeli moves and invite Israel to revoke them. On the last day of the year, after the Council had adjourned preparatory to a new session at Geneva in January, Israel delivered

a defiant reply accusing the Trusteeship Council of exceeding its powers.

While the General Assembly was discussing Jerusalem and refugees at Lake Success, the Conciliation Commission had been pursuing its dreary negotiations in New York's Empire State Building. Both Arabs and Israelis had taken to finding fault with the Commission's methods; but the Arabs still refused to meet the Israelis directly, and both sides still refused to budge from their established positions. Outside the Commission, however, a territorial settlement of sorts appeared to be taking shape. Jordan had never concealed its intention to annex the Arab territory it controlled in central Palestine, and it was an open secret that Abdullah's emissaries had been negotiating with the Israelis behind the back of the Arab League. Israel would have preferred a separate Arab state in central Palestine, but appeared ready to recognize Jordan's claims provided Abdullah would take the refugees along with the territory—an arrangement to which Abdullah did not seem averse. A bilateral settlement with Jordan would have special advantages for Israel if —as seemed likely—it embroiled Jordan further with the Arab League and thus perpetuated the division among Israel's enemies.

The continued ferment in the Arab world unquestionably worked to Israel's advantage in the sense that it prolonged the time available for consolidating the new state and postponed any possible renewal of the war by the Arabs. Signs of continued instability were not lacking: new cabinet crises occurred late in the year in Iraq and Egypt, and Syria was having considerable difficulty in getting back to constitutional rule after the military interlude of the spring and summer. A promising constituent assembly was at work, following elections conducted in an exemplary manner on November 15-16; but in December Syria's army undertook its third political intervention of the year to turn out one civilian cabinet and install another. Some observers professed to see the long arm of Ibn Saud, working to head off a revival of the Iraq-Syria federation scheme.

All in all, this part of the Middle East seemed to offer a

classic demonstration of the U.S. Government's thesis that political instability and economic underdevelopment went hand in hand. The final report of the U.N. Economic Survey Mission, in which the group went beyond the immediate question of the refugees to discuss the broader economic problems of the area, offered a timely reminder of the immensely neglected conditions and the basic interdependence of water, land, and people throughout the region. Properly developed and used, said the mission, the local resources could "support greatly increased populations and at a higher standard of living than now prevails."

Yet this expert international group, by no means lacking in imagination, found itself unable to recommend large development projects for immediate exploitation. Contrary to the picture customarily presented in the U.N. by representatives from the underdeveloped countries, it flatly declared that no adequate basis for such undertakings existed. "The region is not ready, the projects are not ready, the people and Governments are not ready, for large-scale development of the region's basic river systems or major underdeveloped land areas. To press forward on such a course is to pursue folly and frustration and thereby delay sound economic growth." Instead, it recommended four "pilot demonstration projects" of moderate scale and cost, for river development in Jordan, Arab Palestine, Lebanon, and Syria. Such small and practical beginnings, the mission argued, would provide needed experience and offer "a productive demonstration of self-help with friendly technical assistance at their elbow." Only by starting modestly would it be possible to progress toward "developments in the Middle East which will offer work to all who have none and, by that natural means, lay the foundation of stability and peace." [27]

In stressing the ultimate benefits of economic development the mission overlooked neither the fact that they would come slowly nor the grave political and psychological obstacles that stood in their way. The great question that seemed to emerge from its final report was whether results could be achieved

[27] *Final Report of the . . . Economic Survey Mission,* cited, I, 2, 3, 5.

in time to forestall some new explosion in the Middle East. Better living standards, improved education, and the diffusion of a broader, more tolerant political outlook offered the only promising way out of the predicament in which the region as a whole found itself. Unless it could be helped to find the way out, it would remain a danger area for its inhabitants and, indirectly, for the entire world.

3. Readjustments in Central Asia

The mutual accommodation of unfriendly peoples in a limited territorial area was also an outstanding problem in the large but remote corner of the Middle East that encompassed Afghanistan, the Dominion of Pakistan, and the disputed state of Jammu and Kashmir. The Kashmir conflict and other differences between Pakistan and India, the two leading non-Communist nations of postwar Asia, were capable of exerting a decisive influence on the destinies of the entire continent. Of India's role something more must be said in the discussion of Far Eastern matters in the next chapter. The present discussion is limited to several problems growing out of the Indian partition that had a more direct affinity with the affairs of the Middle East. The treatment must be brief because these countries, though potentially of great importance to the world balance of power, had not yet come to preoccupy American foreign policy to the same extent as regions farther East and farther West.

If, however, the underlying concern of U.S. policy was the restoration of global "peace, stability, and freedom," there was reason for grave discontent with the explosive conditions prevailing in a part of the world that embraced something like a fifth of humankind—342 million Indians, 80 million Pakistanis, 12 million Afghans, and 4 million Kashmiris. If the United States was interested primarily in sealing off corridors of possible Soviet penetration into non-Communist Asia and beyond, it had cause for redoubled concern at the opportunities for outside interference which abounded in the region where

Afghanistan, Russia, China, Kashmir, India, and Pakistan converged.[28]

When India was partitioned in 1947, the new land of Pakistan fell heir to a territory that for many years had served as a bulwark of the British Empire in southern Asia. Its martial population and virtually impregnable mountain defenses had made it the natural keystone of a strategic system which, in the last analysis, was frankly directed at discouraging Russian inroads south of the Pamirs and the Hindu Kush. When the British withdrew, the latent threat from Russia remained but the strategic arrangements that had been built up to meet it revealed a tendency to disintegrate.

The partition of India destroyed the unity of the subcontinent and diverted the energies of its peoples into violent internal quarrels which thrust their larger common interests far into the background. Pakistan, by virtue of its comparative wealth and large population, enjoyed considerable prestige in the Islamic world; but its division into two fragments more than a thousand miles apart, combined with its severance from the well-developed industry of the hostile sister dominion, inevitably lessened its weight in the Asian political balance. The undecided status of Kashmir, claimed by both Pakistan and India, tore a great breach in South Asia's mountain defenses and threatened to plunge the entire subcontinent into full-scale war. In the northwest, meanwhile, the withdrawal of British power stimulated unrest among the warlike Pathan tribesmen, whetted the appetites of the remote feudal kingdom of Afghanistan, and produced in the border marches a chaotic situation whose advantages—if any—could redound only to the neighboring U.S.S.R.

There was little direct evidence that the Kremlin was exerting itself to foment disorder on its southern doorstep. There was even less reason to suppose that Moscow had plans for overtly moving into the area. Any major Soviet advance in this direction would more likely be deferred to a time when considerable gains might be achieved without undue risks—as an act

[28] Cf. map in *The United States in World Affairs, 1947–1948*, 205.

of war, should war unhappily break out among the great powers, or as the climax of a long process of agitation and ferment in which Soviet influence could be gradually built up under the surface. Present events would have to be judged in terms of whether they tended to facilitate or to impede such a denouement.

None of the governments in the area cherished particularly cordial feelings for the U.S.S.R., but neither did any of them see themselves as predestined partners of the West in competition with Moscow. The tendency of a country like Afghanistan —a tendency ingrained through decades in the position of a buffer between British and Russian power—was to play one side against the other and try to secure maximum advantages from both. Pakistan and India, on their emergence from British imperial rule, remained members of the British Commonwealth but showed marked reluctance to involve themselves in the East-West conflict. Prime Minister Jawaharlal Nehru of India repeatedly advertised his nation's aloofness from power blocs and ideological struggles; Prime Minister Liaquat Ali Khan of Pakistan accepted an invitation to visit Moscow (later postponed) months before planning his journey to the United States in the spring of 1950.

In the exasperation of their local quarrels, some people in these countries, especially in Pakistan and Afghanistan, tended to think of Russia as a possible source of aid against local adversaries. "Russia is with us," was a typical Pakistani comment when Moscow's invitation to Liaquat Ali was announced; [29] and Afghan and Pakistani statesmen were not above dropping broad hints that if the Western governments persisted in disregarding their respective "legitimate interests," the Soviet Union might be more ready to do them justice. Such veiled threats were not too seriously meant. None of the responsible leaders, and only relatively insignificant popular groups, had any desire for active Soviet intervention in any of the local conflicts in this part of Asia. They did indicate, however, that the peoples in question saw no extraordinary dangers in the atti-

[29] *The Economist,* CLVII, August 6, 1949, 307.

tude of the U.S.S.R. and were more inclined to put the two rival power blocs on an equal plane.

As in other parts of the Middle East in which British influence had long been preponderant, the United States was slow to interest itself in the problems of this distant and bewildering region. There were difficulties, moreover, in applying to this part of Asia the broad policies developed in response to post-war pressures in other lands. In Europe and the Far East, the United States had been able to make a reasonably clear-cut choice between forces promoting Soviet imperialism and forces opposing it. Here, however, Soviet imperialism was at most a side issue and a possible danger for the future. The present life of the area was dominated primarily by a complicated struggle between two "free" nations—India and Pakistan—with whose democratic aspirations the United States could not fail to sympathize in equal measure. Lacking any reason to prefer one nation above the other, the United States could only urge them to settle their differences peacefully, and make reasonable efforts to cultivate the friendship of both. The task was made more difficult by the fact that an impartial attitude tended to antagonize both parties.

Pressure for peaceful settlement seemed to the United States peculiarly necessary in the baffling and dangerous controversy over Jammu and Kashmir, which had been before the U.N. Security Council since the beginning of 1948. Late in that year, India and Pakistan had agreed that the future of this fabulous country—populated largely by Moslems, but occupied by the armed forces of both sides after Pakistan refused to recognize its accession to India in 1947—would be decided by a plebiscite under U.N. auspices. Throughout 1949 the U.N. Commission for India and Pakistan [30] struggled to bring the parties into sufficient agreement to make the plebiscite possible.

U.S. Admiral Chester W. Nimitz had been designated plebiscite administrator; but before the Admiral could leave Lake

[30] Set up by the Security Council early in 1948, the Commission was composed of Argentina, Belgium, Colombia, Czechoslovakia, and the United States. Cf. *The United States in World Affairs, 1948–1949,* 439-441.

Success it was necessary for India and Pakistan to agree on a permanent truce and on the detailed conditions under which the plebiscite would be held. This the best efforts of the U.N. Commission were unable to bring about. Although the two sides agreed to the demarcation of a permanent cease-fire line in July 1949, no agreement could be reached on the withdrawal of troops or on plebiscite arrangements. Pakistan was confident that a plebiscite would turn out in its favor, provided only that India was prevented from exercising undue influence. India was just as sure the vote would go against it unless Pakistan was firmly excluded from the scene and the pro-Pakistani "Azad (free) Kashmir" irregular forces, for which Pakistan disclaimed responsibility, were disbanded and disarmed.

In a final effort to break the deadlock, the Commission suggested in August 1949 that the points at issue be submitted to arbitration by Admiral Nimitz. President Truman, taking the initiative "in view of the great interest of [the U.S.] government in the peace and stability of the subcontinent," addressed a special message to Nehru and Liaquat Ali urging them to accept.[31] Prime Minister Attlee of Great Britain made a parallel appeal. Pakistan accepted; but Nehru rejected the proposal with unmistakable signs of irritation. Speaking at Allahabad on September 4, a few weeks before his departure for an official visit to the United States, he declared himself surprised at this "intervention" in view of the fact that no attempt had been made to understand or solve the fundamental issues involved.

This seeming rejection of the principles of peaceful settlement doubtless was legally and morally justified in the eyes of the Indian Government, but was difficult to justify in the eyes of an imperfectly informed world opinion. During the balance of the year India's case suffered from a general impression that New Delhi had placed itself in the wrong. This feeling detracted somewhat from the otherwise excellent effect of Nehru's speeches in the United States, the deeply ethical tone of which was something new in international politics. The impression of

[31] Statement by Secretary Acheson, August 31, in *Department of State Bulletin*, XXI, September 12, 1949, 399.

Indian intransigence was heightened in December and January when Pakistan accepted and India in effect rejected a new demilitarization proposal for Kashmir—this one advanced by General A. G. L. McNaughton of Canada on behalf of the Security Council.[32] It began to look as though all efforts to resolve the conflict on the local level were doomed to futility unless the two governments could find a way toward rapprochement on the political plane.

Pakistan's aims in Kashmir had been furthered by irregular formations of Moslem tribesmen who infiltrated the area as part of the effort to frustrate its annexation by India. In the meantime, however, Pakistan was beginning to be seriously embarrassed over the status of similar Moslem tribal groups in its strategically important Northwest Frontier Province. Afghan agents, claiming to speak for these groups, were attempting to subvert the traditional order in the wild and remote "tribal area" around the Khyber Pass. In British times the Pathan inhabitants of this administrative no man's land had been oriented toward Delhi; a recognized frontier, the so-called "Durand Line" of 1893, had marked the respective limits of British and Afghan influence. Now Afghanistan saw an opportunity to claim authority over these kindred peoples by disputing Pakistan's rights of succession to the British overlordship.

Failing to make an impression with its somewhat tenuous legal claims, Afghanistan resorted to transparent ethnographic arguments and encouraged a Pathan "autonomy" movement in Pakistan's dooryard. Disciplinary operations by Pakistani aircraft, one of which admittedly resulted in the bombing of Afghan territory, heightened the tension. By June 1949, both parties were bombarding a slightly incredulous world with statements of their respective legal, historical, and ethnographic rights. Although the tribes in question remained generally loyal to Pakistan, Afghanistan announced in October that an "autono-

[32] U.N. Document S/1453, February 6, 1950. The Commission had meanwhile reported (S/1430, December 5, 1949) that it had reached the limit of its usefulness, and advised the Secruity Council to see what could be done by an individual mediator.

mous" political regime—variously known as Pathanistan, Pushtunistan, or Pukhtunistan—had established itself in the disputed area. Pakistan retaliated by putting impediments in the way of Afghanistan's imports and exports, a large proportion of which went through the port of Karachi.

The interest of this miniature "cold war" would have been mainly comic if the general temper of the area had been more relaxed. As it was, the effects of the quarrel tended to spread in widening circles. In India the public displayed a certain satisfaction over Pakistan's troubles, and some of the Afghan propaganda was reproduced in Delhi newspapers. The Indian Government generally refrained from official comment; but India's own trade war with Pakistan, aggravated by that country's decision not to devalue its currency with the rest of the British Commonwealth, encouraged a feeling of solidarity with Pakistan's other antagonist. Afghanistan, for its part, indulged in spasms of anti-Pakistani and anti-British feeling, accused the U.K. of encouraging Pakistan's hostile attitude, and evinced some dissatisfaction also with the supposed pro-Pakistani sentiments of the United States. Possibly by way of a warning gesture, the Afghan Government found employment for a group of Russian technicians and received an official Soviet trade mission in Kabul.

It was slightly paradoxical that the U.S. Export-Import Bank should have chosen this moment to announce a substantial loan to Afghanistan—the only such loan extended during 1949 to any Middle Eastern country except Israel. On November 24, the Bank announced that it was authorizing a $21 million line of credit to finance hydraulic and irrigation works in southwestern Afghanistan's Helmand River valley. This step, totaly unrelated to the current political effervescence, had been taken primarily in recognition of sound economic possibilities which had already been investigated intensively by private American engineers under contract to the Afghan Government. The factor of Russian proximity to Afghanistan undoubtedly played a part in the decision, just as it had played a part in the gradual postwar expansion of the American diplomatic mission in Kabul; but it

was not the dominant consideration. "You might call this a Point Four project" said Herbert E. Gaston, the Bank's president, "because it is definitely along that line." [33]

Afghanistan, one of the least developed countries of the Middle East, was certainly no exception to the rule that present instability was largely bound up with antiquated forms of economic and social organization. The chronic restlessness of the border tribes was a typical expression of a pastoral, still partially nomadic type of society. In Afghanistan's case, however, modernization was more likely to be a work of generations than of decades. It could contribute little toward quieting the disorders that had brought on the crisis with Pakistan. This was an instance in which the world could scarcely afford to wait for stabilization through economic development. Like the stalemate in the Arab world, the three-cornered impasse between Afghanistan, Pakistan, and India had too many dangerous implications for other countries to be allowed to drag on indefinitely. As the year closed it seemed likely that in future the United States would find itself playing a more active role in this area than it had thus far aspired to.

[33] *New York Times*, November 25, 1949.

CHAPTER THIRTEEN

SEARCH FOR A FAR EASTERN POLICY

THE CONTINENT of Asia is so vast and its physical and human geography are so varied that every generalization about it is subject to all kinds of qualifications and exceptions. Yet certain features of the postwar Asian scene unmistakably link the Middle Eastern regions considered in the last chapter with the Far Eastern area that forms the subject of this one. The dominant influence in the postwar life of both Middle and Far East has been a tremendous popular revulsion against "imperialist" rule and "exploitation" on behalf of foreign powers. World War II, which hastened the disintegration of the old imperialist order, enormously accentuated the national self-consciousness of the Far Eastern peoples, some of whom had been not a little stirred by Japan's wartime slogan of "Asia for the Asiatics." At the war's end, impatient nationalism and a determination to be finally rid of foreign control were the prevailing sentiments throughout most of the area.

Coinciding with this vast revolutionary movement, directed in the first instance against those Western European nations that had dominated large parts of Asia since the nineteenth century or earlier, was a renewal of the outward pressure of ideas and influence from the Soviet Union. It was the attractive power of Soviet ideology, with its promise of liberation from all the evils of the old-style "imperialism," that lent the situation its peculiarly menacing character from the standpoint of the West. The breakup of the old Western hegemony left many of the former subject peoples with no adequate material or psychological defenses against the inroads of Asiatic Communism. Colonial rule, with the partial introduction of Western technology, social patterns, and habits of thought, had eaten

away the roots of the old Oriental societies; its collapse left them in a state of disorganization. The U.S.S.R., with a doctrine and a corps of leaders developed for just such contingencies, plainly hoped to assume the direction of the revolutionary tide that was sweeping the continent.

Communist agitation played no more than an insignificant part in the creation of this impetuous spirit, which was the product of forces rooted deep in the sociology of Asia. Even the powerful Communist movement in China owed far more to the backwardness and stagnation of Chinese society than it did to any help or encouragement from Moscow. On the other hand, the Soviet Union was better placed than any other great power to derive advantages from the upsurge of Asian nationalism, which Lenin had foreseen as a powerful auxiliary in the march toward world revolution. A passage in the important address delivered by Vice-Premier G. M. Malenkov on November 6, 1949—the anniversary of the Bolshevik Revolution and an occasion for authoritative restatement of Soviet views—showed how the Politburo endeavored to make the revolutionary cause its own, in China and throughout Asia: "The victory of Chinese democracy opens a new page not only in the history of the Chinese people, but also in that of all the peoples in Asia oppressed by the imperialists. The national liberation struggle of the peoples of Asia, the Pacific and of the entire colonial world, has reached a new and considerably higher level." [1]

Some observers inclined to view this complicated situation primarily in terms of an external, Soviet-directed campaign against the peace of the Far East. Presidents Elpidio Quirino of the Philippines and Syngman Rhee of Korea, leading advocates of a Far Eastern security pact, were prominent exponents of this point of view, which was shared by many American friends of Chiang Kai-shek.[2] There were others, however, in the Far East and in the Western world, who saw behind the Communist trappings and realized that these were the symptoms rather than the cause of Asia's unrest. Carlos P. Romulo, Filipino

[1] *For a Lasting Peace, For a People's Democracy!*, November 11, 1949.
[2] Cf. above, pp. 60-61.

president of the fourth General Assembly, was one of those who deprecated the tendency to focus attention solely on the military and strategic aspects of the problem while neglecting its economic and social roots. Another was Australian External Affairs Minister Herbert V. Evatt, also a past president of the General Assembly.[3]

This viewpoint unquestionably showed a broader understanding of the many-sided Far Eastern problem; and the revised *Economic Survey of Asia and the Far East* issued by the United Nations in 1949 offered a timely reminder of the abysmal distress that was so largely accountable for the area's turbulence.[4] By 1949, however, it was too late to think solely in terms of economic remedies. The guns were already going off, and many of the victories were being reaped by declared partisans of Moscow. With the Communist conquest of practically the whole mainland of China, the way lay open to the establishment of a direct link from Moscow via Peiping to the Communist-led insurgent forces that were already on the march in Indochina, Burma, and Malaya. The destruction of Chiang Kai-shek's armies confronted the Western powers, together with the "free" governments of the Far East, with a crisis as dangerously urgent as any they had faced in postwar Europe.

What the situation obviously required—if the Western powers intended to disprove Moscow's contention that the future of Asia lay in association with the U.S.S.R.—was a judicious combination of political, economic, and military measures which would take account of the actual situation in Asia, the varying needs and capabilities of the Western countries, and the requirements and aspirations of the Asian peoples. Thus far, however, such a combination had seemed beyond the power of Western statesmanship to devise. The Western governments had started with interests and preconceptions that were too far

[3] Cf. especially Carlos P. Romulo, "The Crucial Battle for Asia," *New York Times Magazine,* September 11, 1949; and the remarks of Dr. Evatt in the Australian Parliament, June 21, 1949.

[4] U.N. Department of Economic Affairs, *Economic Survey of Asia and the Far East 1949,* U.N. Document E/CN.11/191, publication 1949.II.F.1 (Lake Success, 1949).

apart to be quickly reconciled, and the inherent instability of the situation encouraged wide divergences and uncertainties even within a single country like the United States. When Acheson, Bevin, and Schuman foregathered in Washington in September 1949, they found only the vaguest concordance of views regarding desirable next steps.[5] Such progress toward a closer understanding as was registered in the following months seemed doubly slow in view of the rapidity with which events continued to develop.

1. *America and the Chinese Revolution*

Disunity among the Western nations on the general problem of the Far East reflected divergent attitudes on a number of specific problems, among which China, Japan, Indochina, and Indonesia were outstanding. In China the main difference concerned the appropriate time, if any, for withdrawing recognition from Chiang Kai-shek and establishing normal relations with the new Communist authorities—a step which Britain, France, and various British Commonwealth nations were much readier to take than the United States. In Japan, the U.S. occupation policy of fostering Japanese economic recovery and general rehabilitation ran counter to clearly expressed preferences of Australia, New Zealand, and other Pacific countries. In regard to Indochina and especially Indonesia, the United States differed with the metropolitan governments concerning the rights and capabilities of native regimes that were bargaining for maximum independence of Paris and The Hague.

It was the Chinese situation, however, that formed the heart of the Far Eastern problem and colored the American approach to other questions. China, the largest and potentially the wealthiest of the purely Far Eastern countries, was as yet the only one in which Soviet-oriented Communism had actually come close to predominance. It was because most of China had already gone Communist, and boasted of its intimate affiliation with the U.S.S.R., that the Soviet shadow lay so heavily all

[5] Above, p. 65.

across Southeast Asia. It was the Communist victories in China that gave such a forlornly isolated look to the American-supported Korean Republic, and encouraged U.S. authorities to avoid any irremediable weakening of Japan. Until the Western nations were agreed on the implications of the China situation, there was not much likelihood of their arriving at effective common policies for the Far East as a whole.

The nature and immediate aims of the Communist regime that was taking shape in Peiping—or Peking, as the Communists called their new capital—were open to no particular doubt. Its fundamentally Marxist-Leninist character, and its close dependence on the U.S.S.R., had been clearly set forth in such pronouncements as the article by Mao Tse-tung referred to in an earlier chapter.[6] Much less certain, however, was the amount of support it would command among the Chinese people, once the intoxication of victory had worn off and the implications of its pro-Soviet stand became clearer. On this point there were great differences of opinion both in the United States and abroad.

One school of thought in this country vigorously maintained that only military force could shake the Communist hold. Others insisted that a Stalinist regime in China was too much of an anomaly to last. A Communist revolution had not necessarily been the only answer to China's problem, according to this argument. The need for sweeping social and economic reforms might, under other circumstances, have been met by measures more in accord with China's own national interests. The Soviet Union, which already had virtually annexed Outer Mongolia and carried off much of the portable wealth of Manchuria, seemed intent on exploiting China in much the same way as it was exploiting the Eastern European "people's democracies." It would not for many years be able to supply economic aid on the scale China's own rehabilitation and development required. Even some Chinese Communists might eventually rebel against a policy that too obviously subordinated Chinese interests to those of the Kremlin. Incentives for a "Titoist"

[6] Above, pp. 53-54.

revolt would not be lacking, and the opportunities would exceed those of any other country now under Soviet control. The possibility remained, therefore, that China, under its present or some future leadership, might one day contrive to loosen the present Soviet grip on the country. Concerning the likelihood of this development, opinions differed and would continue to differ.

For the moment, the Communist political organization was smoothly assembling the machinery of government in accordance with the prescribed blueprint. The decisions of the 661 hand-picked delegates to the Chinese People's Political Consultative Conference, which assembled at Peking in late September to proclaim the new regime, showed an unmistakable leaning to the "popular front" device that had been such an effective tool for establishing Communist rule in Eastern Europe. The Organic Law for the "People's Republic of China," unanimously adopted on September 27, defined the new state in conventional terms as "a dictatorship of people's democracy, headed by the working class, founded on the alliance of workers and peasants, and uniting all democratic classes and the various nationalities in the country."

Government, according to the Organic Law, was to be conducted through "a system of popular assemblies based on the principle of democratic centralism" and culminating in an "All-Chinese People's Assembly." Executive functions were entrusted to a 63-member "Central People's Administrative Council" (Presidium), elected by the Assembly, and a "State Administrative Council" (Cabinet). The People's Political Consultative Conference, which proclaimed itself the "organization of the democratic united front of the people throughout China," was to serve as supreme embodiment of the popular will until national elections could be held, and would retain sole authority to revise the constitution.[7]

The designation of governmental officers faithfully carried out the "popular front" concept. Mao Tse-tung became chair-

[7] Text in *Pravda* and *Izvestia,* October 12, 1949 (*Current Digest of the Soviet Press,* I, No. 42, November 15, 1949, 3-5).

man of the Central People's Administrative Council, the equivalent of national President. Of the six vice-chairmen, three were Communists and three non-Communists, including a defecting Nationalist general and Madame Sun Yat-sen, the widow of the great revolutionary leader and sister-in-law of Chiang Kai-shek. Chou En-lai, leading Communist diplomat, was made Premier and Foreign Minister. Communists were assigned to all key cabinet posts, although non-Communists were allowed to hold a numerical majority in the 37-member cabinet. Mao Tse-tung assumed formal authority over military affairs as chairman of the "People's Revolutionary Military Council"; Chu Teh was confirmed as commander-in-chief of the "People's Liberation Army."

These appointments, which somewhat masked the reality of full Communist control, gave no encouragement to those who had speculated on a split within the Communist high command. The key position entrusted to Chou En-lai, sometimes described as inclining toward the "national" rather than the "Moscow" type of Communism, indicated that he and others of the "Old Guard" retained the full confidence of their Moscow-oriented chief. Nor did what was known of conditions in Red China seem to foreshadow any insuperable difficulties for the new authorities. Inflationary conditions undoubtedly obtained behind the battle lines, and the change of government had not made the country immune to severe local food shortages. Agrarian problems had been accentuated by the necessity of provisioning the port cities blockaded by the Nationalists. Discontent with the authorities was too normal a feature of Chinese life to be suddenly eradicated, but seemed hardly severe enough to shake the basis of Communist power. Public morale in the cities still showed traces of the exhilaration that had greeted the advent of the Communist "liberators." Although there was sporadic guerrilla activity in the countryside, there would be time enough to deal with it after the remnants of the Nationalist armies had been driven from the Chinese mainland.

Of more absorbing interest was the way the new regime would carry out its policy of firm alliance with the U.S.S.R. and

its declared intention of securing international acknowledgment as China's only legal government. There was abundant evidence that Soviet and Chinese Communist political activities were closely dovetailed. The Soviet Government, followed by its satellites (and Yugoslavia), extended diplomatic recognition to the new "People's Republic" immediately after its formal proclamation on October 1, 1949, and warmly supported its demand for acknowledgment by the United Nations.[8] Communist China seemed to fit readily into the world pattern of Communist activities. In November it played host to an Asian Trade Union Conference, held under WFTU auspices, which resulted in the setting up of a "labor liaison bureau" with functions that were understood to approximate those of a "Far Eastern Cominform."

The direct influence which the U.S.S.R. was exerting in Chinese affairs was less easy to gauge. The U.S. State Department, for forensic reasons, may have tended to overemphasize the importance of Soviet "intervention" in Manchuria and Sinkiang and the role of the Soviet "advisers" who were beginning to pour into North and Central China. There was, however, definite evidence that the Russians were acting to safeguard primary Soviet interests in China by direct means, and that they enjoyed a special status in those parts of the country that bordered on the Soviet Union. Their known interests in Manchuria and Sinkiang, coupled with their past record in Outer Mongolia, raised a question as to whether they were utilizing the opportunity to withdraw other important areas from Peking's control. In any case, it seemed clear that they were rapidly infiltrating the administration of civil and military affairs.

Some clarification of this and other aspects of Sino-Soviet relations was looked for when it became known toward the end of the year that Mao Tse-tung was going to Moscow to attend the celebration of Stalin's seventieth birthday on December 21. Mao had previously hinted at the desirability of negotiating a new treaty with the U.S.S.R. to replace the one concluded by

[8] Cf. above, pp. 307-312.

the Nationalist government in 1945. It was a safe guess that his talks in Moscow would cover both the rights of the U.S.S.R. in China and the benefits that China might expect to derive from its partnership with the U.S.S.R. On both counts there was room for broad differences of opinion with the Kremlin—so broad that Mao's visit, his first personal contact with top Soviet statesmen, could conceivably prepare the ground for a new Tito rift. The jubilant welcome accorded the Chinese leader when he arrived in Moscow, however, served as a reminder that if there were to be disagreements they would be carefully concealed from the outside world.[9]

In a peculiar way, Soviet influence already seemed to be at work in Communist China's relations with the Western powers. During the autumn the Peking regime pursued what looked like a highly contradictory course. On the one hand it appeared genuinely anxious for diplomatic recognition by the West; its first official act on October 1 had been the circulation of an offer to establish diplomatic relations "with any foreign government that is willing to observe the principles of equality, mutual benefit, [and] mutual respect of territorial integrity and sovereignty." Yet its actual treatment of foreign interests in China seemed calculated to produce an opposite result. American representatives, in particular, were treated with a systematic malevolence that was too obvious to be ascribed to the irresponsibility of local officials and plainly reflected official Communist —or Soviet—policy.

What the Communists were aiming at, however, was not so clear. According to one theory, an attempt was being made to widen the division on China policy between the United States and Great Britain; the latter was known to be more inclined to extend diplomatic recognition, and its representatives were treated more decorously. Other observers believed that the Soviet Union was deliberately intervening, with the object of worsening the Chinese Communists' relations with the United

[9] The treaty and agreements eventually made public on February 14, 1950 offered China a number of direct advantages (notably a $300 million Soviet credit to be extended over a five-year period), but failed to specify the detailed conditions accepted by China's Communist government.

States and thus rendering them more completely dependent on the Kremlin. This theory derived plausibility from the fact that the most flagrant mistreatment of American representatives took place in Manchuria, where the U.S.S.R. was believed to exercise special influence.[10]

One reason the U.S. Government was incompletely informed about conditions in Manchuria was the almost unbelievable plight of Consul Angus Ward and his staff in Mukden. Nearly six months after the Consulate had been formally closed, the staff was still cut off from the outer world and held in virtual imprisonment in the consular compounds to which they had been confined since the autumn of 1948. The tribulations of these Americans evidenced as nothing else could have done the depths to which U.S. prestige in China had sunk, or was about to sink. On October 24 Ward and four subordinates were placed under arrest, charged with "assaulting" a former Chinese employee, and held incommunicado for over four weeks pending their trial by a "people's court."

This treatment, publicly termed an "outrage" by President Truman and later described as "hellish" by Ward himself, was totally inconsistent with normal international practice even if the charges themselves had possessed any semblance of verisimilitude. Yet American appeals to the highest Communist authorities in Manchuria, representations to Communist Premier Chou En-lai, and the intercession of the British all were unavailing. Not until November 22, after Acheson had addressed a special plea for support to each of the 30 countries maintaining diplomatic or consular representatives in China, were the prisoners released—with the insulting statement that they had been tried and found guilty but that their prison sentences had been commuted to deportation. After a new crisis, involving

[10] A variant of this theory interpreted the persecution of the U.S. consular staff in Mukden as retaliation for current U.S. actions against Soviet representatives in New York under the espionage and foreign agents registration laws. These included (1) denial of the diplomatic immunity claim of Valentin A. Gubichev, a Soviet official employed by the U.N. Secretariat who faced trial on an espionage charge; and (2) the arrest on October 21 of five officials of Amtorg, the Soviet trading corporation, for failure to register as foreign agents.

the seizure of a U.S. vice consul to serve as witness at a local "spy trial," the entire consular staff was summarily ordered to leave the country—as it had been vainly trying to do since May.[11]

This incident destroyed whatever slight possibility might have existed that the United States would move toward early recognition of the Chinese Communists or favor the seating of a Communist delegation in the United Nations. Legalistic doubts about Peking's technical eligibility for recognition were swallowed up in a new wave of congressional and public anti-Communist feeling. The opinion was widely voiced that the United States must never recognize a Communist China.

If the Communist aim had been to isolate the United States from its allies, the maneuver was succeeding famously. The British, with their billion-dollar economic stake in China, attached to recognition and nonrecognition no such symbolic importance as those words had acquired for the American public. The Labor government inclined to Churchill's view that "The reason for having diplomatic relations is not to confer a compliment, but to secure a convenience." [12] Unable to anticipate that their gesture would be treated with contemptuous indifference, British authorities were already contemplating an offer to establish diplomatic relations with the Communist regime. Other governments were inclining the same way. One could not overlook "realities," Nehru of India had said in the course of

[11] Ward's personal story, supplementing the official releases reprinted in the *Department of State Bulletin,* appears in *American Foreign Service Journal,* XXVII, No. 2, February 1950, 14-17, 40-44. Other incidents, likewise documented in the *Department of State Bulletin,* include (1) closure of the U.S. Consulate in Dairen on October 21 because of "inability . . . to carry on normal consular functions owing to restrictions imposed by the Soviet and Chinese Communist authorities"; (2) protests, announced October 26, against the actions of Communist authorities in Nanking and Shanghai in delaying the departure of the U.S. Military Attaché and three other U S. officials; (3) announcement on November 30 of the State Department's unsuccessful efforts to obtain the release of two American servicemen detained in the Tsingtao area since October 1948; and (4) a Communist order on January 6, 1950 to seize the former military barracks in Peking which housed the U.S. consular offices. This last step impelled the U.S. to order the withdrawal of all official U.S. personnel from Communist China.

[12] *Parliamentary Debates, Weekly Hansard,* House of Commons, November 17, 1949, 2231. Acheson had said much the same thing—in a speech on Latin American policy—on September 19 (cf. below, pp. 480-481).

his American visit. If the recognition trend gained momentum, a new source of friction would be introduced into the relations of the United States with leading non-Communist nations.

The Angus Ward case also gave impetus in the United States to demands for a resumption of aid to the tottering regime of Chiang Kai-shek. Nationalist fortunes, since the loss of the northwest in the preceding summer, had continued to deteriorate. During the autumn Communist armies overran most of southwestern China; at the same time the Communists intensified their pressure on Tibet, the mysterious central Asian theocracy which acknowledged the suzerainty of China but obviously did not desire Communist "liberation." As the Communist military advance continued, the Nationalist government retreated —first from Canton to Chungking, then from Chungking to Chengtu. On December 8 Chiang Kai-shek formally abandoned the mainland and established his temporary capital at Taipei on the island of Formosa, leaving only scattered remnants to continue a guerrilla struggle in the hills of Sikang, Szechwan, and Yunnan.

A further political disintegration accompanied the Nationalist military reverses. As civilian adherents continued to fall away, the Nationalist regime took on more and more the appearance of an isolated, internally divided military clique. Tension between Chiang and his acting president, Li Tsung-jen, grew with each fresh interposition of the Generalissimo into governmental and military affairs. When Canton was abandoned, General Li retired for a "rest"; as the fall of Chungking became imminent, he entered a Hong Kong hospital with a stomach ailment, as opportune as it undoubtedly was genuine. A few days later he flew to the United States for treatment, without relinquishing his claim to direct governmental affairs from a sickbed in New York.

To add to the confusion, Nationalist warships continued their blockade of Communist ports, seriously embroiling their government with Washington and London and adding to the worries of the State Department. U.S. prestige, flouted at will by the Communists, received fresh buffets as the Nationalists

ignored American protests and stepped up their harassment of U.S. vessels on the Shanghai run. In October two American merchantmen leaving Shanghai were detained on the high seas for several days, under threat of gunfire; in November two others were fired on without warning; on January 9, 1950 a fifth vessel was set on fire and badly damaged by Nationalist gunfire while some 20 miles at sea. All of these ships were the property of a single American company, the Isbrandtsen line, whose owner refused to heed the State Department's advice to avoid the danger area and loudly demanded naval protection for his vessels as the embodiment of lawful American commerce. The Department, unwilling to recommend so drastic a step, mingled vain protests to the Chinese Government with increasingly strong admonitions to American shippers to avoid needless risk of American lives and property.[13]

Such attacks, coupled with threats to bomb foreign shipping from the air if the naval blockade did not suffice, were one of the few forms of military activity remaining open to the Nationalists. Events on the mainland were now beyond their control; but in a negative way Chiang still played a significant role in China through his retention of Formosa and Hainan islands. So long as a Nationalist government continued to function on Chinese soil—and both sides agreed in recognizing Formosa as Chinese, despite its uncertain legal position [14]—the Communists could not claim that the civil war was won. The conquest of these large and desirable islands would clearly be their next major objective, as soon as they had assembled the fleet of junks and other equipment needed for an amphibious assault. Nationalist quarters, meanwhile, boasted that Formosa not only would be held against all attacks but would become the base for the reconquest of China.

In the United States the removal of the Nationalist govern-

[13] For a full summary of the documentation printed in the *Department of State Bulletin,* see "Closure of Ports by the Chinese Nationalist Government," *American Journal of International Law,* XLIV, April 1950, 350-356. Similar attacks on three British vessels occasioned a formal protest by the U.K. on November 10.

[14] Cf. above, pp. 64-65.

ment to Formosa coincided with a new offensive by the advocates of all-out aid to Chiang Kai-shek. The political battle over China policy was refought once again, with a vehemence that seemed to mount as Nationalist power dwindled. The immediate issue this time concerned the aid, if any, that the United States should furnish to keep Formosa out of the hands of the Communists. Behind this practical question loomed the familiar political issues concerning the alleged incompetence of the State Department—which had long since declared for a policy of no further aid to Chiang—and the responsibility for past U.S. reverses in China.

Certain funds already appropriated by Congress could be made available for use in Formosa—perhaps $100 million left over from the China Aid Program, plus the $75 million which had been included in the Mutual Defense Assistance Act for use in the "general area" of China.[15] ECA was already administering an economic aid program in Formosa, and the advent of the central government and its troops created an obvious need for more extensive support of the overstrained island economy. A progressive provincial government appeared sincerely desirous of overhauling the administration and making effective use of whatever American funds were provided for this small remnant of Nationalist soil.

But economic aid, or even military aid in the form of weapons and equipment, would be largely wasted if the Communists were to capture Formosa in the spring. Some Americans argued that this contingency must be prevented at all costs, even, if necessary, by the use of American armed forces—not to engage the Communist troops in actual combat, but to overawe them by their mere presence. Republican Senator H. Alexander Smith of New Jersey, returning from a Far Eastern tour and conferences with Chiang Kai-shek, General Douglas MacArthur,

[15] Cf. above, p. 57, note 16. The recapture of substantial ECA funds was expected to increase the $54 million China Aid funds substantially by the expiration date of the program on February 15, 1950. Meanwhile a limited amount of military equipment was still reaching the Nationalists under the $125 million military aid appropriation voted by the 80th Congress in 1948 (*The United States in World Affairs, 1948-1949,* 14).

and other military authorities, recommended on December 1 that the United States itself occupy Formosa—with Chiang's probable permission—on the pretext that it was still technically Japanese territory. Other Senators interested in the Far East echoed the view that Formosa could be safeguarded through a relatively slight investment of U.S. military force. Climaxing the furore, Senator Knowland of California released on January 2, 1950 a letter from ex-President Herbert Hoover, affirming not only that "we must continue to recognize and support the National government" but also that we "should, if necessary, give it naval protection to the possession of Formosa, the Pescadores, and possibly Hainan Islands."

This proposal, which even some Republicans felt to be a large order, went far beyond any of the possible courses of action the administration had been considering. The National Security Council, after prolonged study of the question whether anything could or should be done to discourage a Communist attack on Formosa, had arrived at almost wholly negative conclusions. Military spokesmen, though far from happy about the strategic implications for the American position in the Pacific, offered no easy plan for protecting the island against a determined assault which would probably be combined with fifth-column operations. The State Department had grave doubts about how Chinese opinion would react to any move that seemed to conflict with previous assurances that Formosa was considered an integral part of China. About all the authorities felt able to recommend was a slight increase in the Pacific Fleet and a tour of inspection by the Joint Chiefs of Staff.

On January 5, 1950, President Truman put an end to the speculation by announcing that the United States had no intention of involving itself in China's civil conflict by seeking special rights or privileges in Formosa, establishing military bases there, or "utilizing its armed forces to interfere in the present situation." Nor, he said, would the United States provide "military aid or advice" to Chinese forces on Formosa, whose resources were already sufficient to obtain "the items which they might consider necessary for the defense of the

Island." Economic aid, he added, would continue as long as legislative authority was available.

This statement was not one to soothe political passions in Washington, but it seemed to dispose of Formosa as a practical issue of U.S. military policy. The Communists themselves, meanwhile, by their action in the Angus Ward and similar cases, had effectually shelved the question of U.S. diplomatic recognition for the foreseeable future. The United States, with no plan for contesting the Communist control of all China, thus found itself equally without means of establishing contact with China's new rulers. Its only reliance, so far as China was concerned, seemed to lie in the possibility of an eventual resurgence of Chinese national feeling against exploitation on behalf of the U.S.S.R. Meanwhile the Communist victories had heightened the tension in neighboring Indochina and increased the sense of insecurity throughout the Far East.

2. *Southeast Asia in the Balance*

China's Communist revolution accentuated the peril to Western interests in Southeast Asia by giving the adherents and sympathizers of the U.S.S.R. new opportunities to exploit conditions in that troubled area for Communist ends. The conditions themselves were not of Communist creation but were inseparable from the gigantic process by which Southeast Asia was transforming itself from a colonial appendage of Europe into a somewhat heterogeneous collection of independent Asian states. Before the war only Thailand (Siam) had flown the flag of independence in this area. Since 1945 India, Pakistan, and Ceylon had become self-governing members of the British Commonwealth; Burma and the Philippine Republic had joined the ranks of independent nations; French Indochina and the Netherlands East Indies had come in sight of the same goal; and only the British territories of Malaya and Singapore remained —in company with the British and Portuguese insular possessions—as late, somewhat modernized survivors of the old regime.

The approach to formal political independence, which assumed different characteristics and followed a different time schedule in each country, satisfied important emotional needs but did not greatly affect the obsolete social arrangements or the economic misery which for generations had been the lot of most of their inhabitants. More frequently than not, the effects of war, Japanese occupation, and postwar revolutionary struggles had impaired productivity, disrupted economic relations, and actually lowered an already pitiful standard of life. Conditions in Asia's "rice bowl" countries—Burma, Thailand, Indochina—had held their rice exports at less than half of the prewar level and correspondingly reduced the availability of this vital commodity to India, Ceylon, Malaya, Indonesia, and other countries of the region.[16] The transition to native rule, moreover, carried with it no automatic mitigation of the crying social inequalities the colonial system had helped to produce. To millions of people in Southeast Asia the process looked like scarcely more than an exchange of one set of masters for another—the replacement of a colonial bureaucracy by a native ruling class that was often deficient in administrative skill and in some cases lacked any great sense of social responsibility.

The consequences—varying of course from one Southeast Asian country to another—were widespread distress and discontent at the bottom, and insecurity and instability at the top. The governmental class, whose main effort was directed toward fighting the influence of the former colonial powers—and, sometimes, quarreling over the spoils of office—had to contend simultaneously with a popular disaffection that often assumed explosive forms. Labor unrest in the great cities of India, the autonomy movement of the Karen people in Burma, the agrarian discontent that fed the Hukbalahap movement in the Philippines, seemed to owe nothing to Communist inspiration; but it was the Communists—and they alone—who knew how to capitalize on them. Their dual objective being the destruction of Western influence and the ultimate triumph of their own sys-

[16] U.N. Department of Economic Affairs, *Economic Survey of Asia and the Far East 1949*, 221-223.

tem, the Communists could without inconsistency support the independence movement, the internal movement of social protest, or both, according to circumstances. In Indonesia in 1948 they had even switched openly from one tactic to the other, withdrawing their support of the nationalist Indonesian Republic to foment a short-lived but symptomatic left-wing revolt.[17]

The complex interplay of racial, religious, political, economic, and social forces throughout Southeast Asia presented various dilemmas for the Western powers and especially for the United States. Outside of the Philippines, the United States had no direct responsibilities in the area and would have been well content to leave the initiative to the British, French, and Dutch as the parties most directly interested. The difficulty was that these governments seemed to possess neither the economic resources nor, by and large, the political vision that the situation evidently demanded. The transition of the former British possessions to self-governing status was a monument to able statesmanship on both sides of the globe; but the violent course of Indochina's and Indonesia's progress toward the same goal suggested to American officials that there was a deficiency of that quality in Paris and The Hague. Even if the political motives of all three governments had commanded American confidence, moreover, their means of action in Southeast Asia were patently limited. In Europe, all three had become temporary pensioners of the United States, and their straitened budgets could ill afford heavy expenditures overseas, especially military expenditures, which were essentially unproductive.[18]

As yet the need of other powers for U.S. assistance in meeting their Asian commitments was hardly more than hinted.[19] In

[17] *The United States in World Affairs, 1948-1949,* 326.

[18] Some of the overseas territories, of course, benefited directly or indirectly from ERP aid. On the other hand, depressed economic conditions in two countries of Southeast Asia—Malaya and Ceylon—were in part attributed directly to U.S. action, since the U.S. policy of maintaining synthetic rubber capacity for defense reasons placed limits on American imports of natural rubber.

[19] Cf. Canadian Finance Minister Abbott's tactful reference (at the Washington financial conference on September 7) to the need for a reexamination of U.K. and U.S. policy "regarding the distribution of the financial burden of political responsibilities in various parts of the world."

some American quarters, however, the conviction was slowly maturing that Southeast Asia was one of those vacuums into which either American or Soviet influence would have to flow during the next few years. If direct American action was to be required to keep Southeast Asia on an even keel, perplexing decisions would be necessary concerning the kind of action that could and should be taken and the points where U.S. influence should be brought to bear. Political pressure, economic aid, military assistance might all be needed in different situations. But it would require extraordinary skill to determine what actions were necessary and to make them palatable at one and the same time to the American public and Congress, to allied governments in Europe, and to the people of the affected areas.

Such questions were much discussed in State Department conference rooms during the latter half of 1949, while Burmese, Malayan, and French authorities continued their wars of attrition on different revolutionary groups, and Indonesian representatives pursued the laborious negotiations with The Hague that were to bring independence to the United States of Indonesia at the end of the year. No immediate American action was contemplated, because the formulation of an American policy for Southeast Asia had to await an adjustment by public and official opinion to the new events in China. For the moment, U.S. activity hardly exceeded the limits of routine diplomacy—a ceremonious reception of Prime Minister Nehru of India, continued demonstrations of partiality for the Philippine Republic, and encouragement of efforts to settle peacefully the vexed problems of Indochina and Indonesia.

The American tour of Jawaharlal Nehru in October-November 1949 derived a somewhat fortuitous interest from the background of great-power tensions against which it took place. Essentially it had little to do with the cold war, belonging rather to the series of good-will visits to the United States by heads of friendly governments which the air age had made possible. From the American point of view it was primarily a tribute of respect to the statesman whose leadership in the Indian independence movement and close association with the late Mohan-

das K. Gandhi had long ago won American sympathies. For Nehru himself it provided an opportunity to familiarize himself with two nations—he also visited Canada—with which, as he said, his own country had much in common.

American officials were quite conscious of the fact that India's latent power and moral influence, if exerted in accordance with American views, were capable of producing a favorable effect throughout Southeast Asia. They also felt that such a course was in India's own interest. They were, however, too well aware of Nehru's abhorrence of the great-power struggle to press the point. Others were less reticent. Many times throughout his American travels Nehru was asked why his country did not align itself with the Western nations who were facing up to the challenge of Soviet imperialism. Always he returned the same answer, reiterating principles he had often affirmed in his own country: India's paramount concern was peace; when peace or liberty were in danger, it was neither neutral nor indifferent. But the cause of peace would not be furthered by India's adherence to one of the two power blocs. "The very process of a marshalling of the world into two hostile camps precipitates the conflict it is sought to avoid," he said at Columbia University on October 17.

Nehru was certainly not unaware that Communist agitation seriously threatened public order in India itself. Before his departure for the United States, the Indian Government had revealed that 2,500 Communists were in jail following a wave of violence in the Calcutta region. But for those who had hoped that such experiences would result in India's accession to the Western camp, the Prime Minister's American speeches held nothing but disappointment.

The tangible results of Nehru's visit were not particularly striking. Nothing came of his proposal to exchange Indian strategic raw materials for a million tons of American wheat, badly needed to increase the Indian ration and combat inflationary and black-market conditions. The unspoken questions concerning India's political orientation, combined with American dis-

approbation of India's stand in the Kashmir dispute,[20] made for a certain undercurrent of irritability on both sides. American officials were not sure the visit had fully dispelled the misapprehensions that prevailed in India regarding American aims. Ambassador Loy Henderson, addressing a New Delhi audience at the end of the year, denied with some spirit that pressure had been put on Nehru to alter any Indian policy. Concerning future Indian-American relations he went no further than to express the hope that "the paths which we shall pursue . . . will continue to be more or less parallel." [21] India, it was evident, was wholeheartedly in sympathy with those aspects of American policy that were directed toward raising world living standards and eliminating the sources of violence; but its government remained unshakably convinced that its own proper position was above the battle and not in it.

National sensitivities were much less prominent in America's warm relations with the Philippine Republic, the intimacy of which differed only in degree from the tutelary relationship that had existed before the Philippines became independent in 1946. By virtue of the agreements concluded in 1946 and 1947, the United States retained bases in the Philippines for "mutual protection" and assisted in the training and equipment of the Philippine armed forces.[22] Military and naval equipment with an estimated procurement value of over $130 million had been made available to the Philippines at negligible cost, and the Philippine Government was to receive additional military items out of the $27,640,000 allocated to Iran, Korea, and the Philippines by the Mutual Defense Assistance Act of 1949. Under the Philippine rehabilitation program, through veterans' benefits, and by other means, the United States was contributing even more heavily to Philippine economic recovery and development. When President Quirino visited Washington in August 1949, President Truman reiterated the "desire and intention"

[20] Cf. above, pp. 417-418.
[21] *Department of State Bulletin,* XXII, January 9, 1950, 43-46.
[22] Cf. *The United States in World Affairs, 1945-1947,* 306-314.

of the U.S. Government to continue rendering "all feasible assistance in this process." [23]

American-Philippine solidarity, in short, was axiomatic in the policies of both nations. The Senate Foreign Relations and Armed Services Committees, in their joint report on the military assistance bill, had recognized that "The Philippine Republic, simultaneously enjoying constitutional government, individual freedom, better economic health, and cultural growth, is a decided asset to American foreign policy in the Far East." [24] As yet, however, it could not be claimed that the young republic fulfilled all these desiderata. In some ways the situation in the Philippines recalled that of Greece during its civil war. The direction of Filipino affairs showed a comparable mixture of anti-Communist proclivities, administrative deficiencies, a precarious budgetary and financial situation, and uncertain political ethics. On a smaller scale the Hukbalahap movement, though evidently lacking outside support or clear-cut Communist direction, could be compared with the guerrilla insurrection in Greece. To a degree both reflected legitimate discontent with the type of internal conditions that gave Communism a measure of genuine appeal in many countries.

The seamier side of Filipino politics was definitely uppermost in events surrounding the election of November 8, 1949, in which Quirino and his supporters were returned to office but were unable to forestall outbreaks of violence or to disprove charges of large-scale electoral misconduct. Filipino capacity for good government was still in the process of demonstration; it could not yet be considered demonstrated. To be sure, not everything depended on Filipino efforts. Discriminating outside aid would be a necessity for some years. Deteriorating conditions in our "Pacific showcase" might spread doubt in Asia concerning the real worth of U.S. friendship. But until the Filipinos set their own house in order, interested parties would always be able to question whether the emancipation of de-

[23] Joint statement of August 11, in *Department of State Bulletin,* XXI, August 22, 1949, 277.

[24] *Military Assistance Program,* Senate Report No. 1068 on H.R.5895, 81st Congress, 1st Session, September 13, 1949 (Washington, 1949), 13.

pendent peoples was really in the interest of those peoples themselves.

The questionable preparedness of their Asian subjects for self-rule was the main argument of the Netherlands and French governments in their prolonged resistance to the claims of powerful native independence movements in their Southeast Asian possessions. Conditions in the Netherlands Indies and French Indochina differed in many respects, and in neither case was foreign opinion entirely conversant with the local complexities which helped to explain the seemingly reactionary conduct of the respective governments. In both instances, however, the United States became increasingly skeptical of the reasoning which underlay their tactics. Reinforcing the normal American partiality for indigenous aspirations was a growing conviction that no future regime in these countries could maintain itself for any length of time unless it had the full backing of articulate native opinion. In Washington it seemed that the French in Indochina, and particularly the Dutch in Indonesia, were giving insufficient weight to this critical consideration.

In the case of Indonesia a third factor—concern for the authority of the United Nations—contributed to sway American sympathies toward the insurgent Indonesian Republic. From mid-1947, when the conflict between the Netherlands and the Republic first came before the Security Council, the United States had endeavored to exert its influence in favor of a settlement that would do justice to the legitimate interests of both parties. Their agreement to establish a federated "United States of Indonesia," as an equal partner in a Netherlands-Indonesian union under the Dutch Crown, provided the framework for such a settlement. But the record of persistent Dutch noncooperation in negotiations sponsored by the U.N. Good Offices Committee gradually convinced American officials that the Dutch were not really interested in any arrangement in which the Republican regime would have a part. The Dutch "police action" of December 1948, the last major effort by the Netherlands to evade United Nations authority and liquidate the Re-

public, dispelled any U.S. misgivings about the Republic's demand for leadership in the future federation.[25]

Officially the United States did not participate in the Round-Table Conference of Dutch, Republican, and other Indonesian delegates which was finally assembled at The Hague on August 23, 1949 and, after many crises, reached general agreement at the beginning of November on the outlines of a Netherland-Indonesian Union in which the federated "Republic of the United States of Indonesia" would be a sovereign, equal partner under the Netherlands Crown.[26] American influence, however, was a recognized factor in the situation. It was exerted intermittently in the form of emphatic counsels to the Dutch at times when the negotiations seemed about to break down. Unofficially but more continuously it was brought to bear through the skillful diplomacy of H. Merle Cochran, U.S. member of the U.N. Commission on Indonesia, who played an important role in steering the conference to a successful conclusion.

The detailed settlement of Dutch-Indonesian constitutional relationships, control of finances, responsibility for preexisting debts, and withdrawal of Netherlands military forces tested the patience and resolution of all concerned. One especially thorny issue, the future status of Dutch New Guinea, was left for later decision. All other major problems, however—including provisions for the exercise of Dutch-Indonesian "cooperation" in foreign relations, defense, and other matters of common interest—were eventually smoothed out in a manner that won the praise of both Dutch and Indonesian spokesmen in the United Nations and caused general satisfaction in U.N. quarters.[27] In December the agreements were ratified by the provisional par-

[25] Cf. *The United States in World Affairs, 1948-1949*, 317-322.

[26] Texts in U.N. Commission for Indonesia, *Special Report to the Security Council on the Round Table Conference* (U.N. Documents S/1417, November 10, and S/1417/Add.1, November 14, 1949).

[27] An exception was the attitude of the Soviet bloc, which condemned the agreements as a new manifestation of American- and British-supported Dutch "colonialism." The Soviet bloc voted against a congratulatory resolution of the General Assembly (No. 301, adopted December 7, 1949 by a 44-5 vote), and on December 13 the U.S.S.R. used two vetoes to kill a parallel resolution in the Security Council.

liament of the Indonesian Republic, by the 15 states and territories that were to join with it in the new federation, and—though by much smaller majorities—by the two houses of the Dutch parliament. With the formal transfer of sovereignty by Queen Juliana on December 27, the United States of Indonesia became a fact.

Exceptionally difficult internal problems would face the new administration of President Sukarno and Premier Mohammed Hatta. Their seven-point program, concerned mainly with foundations still to be laid for democratic development and social progress, emphasized the retrograde political, social, and economic condition of the peoples with whose welfare they had been entrusted. There was no prospect whatever that the U.S.I. would voluntarily implicate itself in the cold war; adjustment of its relations with the Netherlands, and consolidation of its own rambling structure, would occupy all its energies for an indefinite time to come. The United States, however, had not looked on Indonesia as a potential ally in an anti-Soviet coalition. Washington's aim had been to ensure that the new state was born under conditions that would conduce to the real welfare of its people and thereby strengthen the cause of freedom throughout the Far East. To that end it was prepared to give the new federation both political and economic support.[28] The establishment of the U.S.I. was a belated triumph for the principle of peaceful settlement; its future difficulties would test the capacity of some 75 million Indonesians to keep afloat amid the tempests of the modern world.

French Indochina likewise passed an important milestone on the road to independence at the end of December when the state of Vietnam, largest and most turbulent of the three states into which Indochina had been divided, assumed nominal control of its internal affairs under the agreement French President Vincent Auriol had concluded with the Emperor Bao Dai in March.[29] The control was no more than nominal because a rival

[28] Approval of a $100 million Export-Import Bank loan to the U.S.I. was announced February 10, 1950.

[29] *The United States in World Affairs, 1948-1949,* 328; text in *La Documentation française: Notes documentaires et études,* No. 1147, June 20, 1949.

movement, the Communist-oriented Viet Minh regime, continued to exercise authority over a large part of the country and represented a standing threat to Bao Dai's rule. Ever since the war Viet Minh, under the leadership of the veteran revolutionary Ho Chi Minh, had been the principal embodiment of the Annamese nationalism that was the strongest force in Vietnam affairs. The Bao Dai regime, which the French had devised after failing to reach a satisfactory agreement with Ho Chi Minh himself, was designed to give a modicum of satisfaction to nationalist ambitions while preserving French control of military and foreign affairs. There remained a large question, however, whether this expedient would be sufficiently popular with the Vietnamese people to attain the French objective.

The experiment could suceeed only if Bao Dai was able to arouse sufficient public enthusiasm to undermine the popularity of Ho Chi Minh—a prospect that seemed dubious at best in view of his close identification with the French and the limited scope of his authority. His rival, on the other hand, had a record of consistent opposition to the French and of championship of Vietnamese popular aspirations, economic and social as well as political. His own reputed connection with distant Moscow was no particular handicap in Indochina; if anything, association with the party that had achieved such brilliant successes in China was calculated to enhance his prestige. The Chinese Communist advance through Kwangsi and Yunnan in late 1949 perceptibly raised his stock and depressed that of his French-supported competitor.

The United States was concerned over this situation on two counts. First, Viet Minh was either a Communist movement or one that was accessible to Communist influence; thus it was a logical spearhead for Communist penetration in Indochina and beyond. Second, its resistance was a serious drain on the French

Vietnam combines the territories of Cochinchina, Annam, and Tonkin as a single associated state in the French Union; the Indochinese kingdoms of Laos and Cambodia entered the French Union on similar terms through separate treaties with France. The agreements with all three states were ratified by the French National Assembly on January 29 and by the Council of the Republic on February 2, 1950; American recognition was extended to all three on February 7, 1950. See map on p. 48, above.

army and thus weakened France as a key member of the North Atlantic defense organization. Something like 140,000 French troops—Indochinese, African, and white—were occupied in fighting Ho Chi Minh and upholding the shaky throne of Bao Dai. The enterprise, unpromising and unpopular, was absorbing a tenth of the French national budget and persistently threatened to cause unwelcome complications in France as well as in Southeast Asia. A subsidiary cause of U.S. concern was the fact that turmoil in Indochina was preventing the recovery of the country's rice exports, which were badly needed in other parts of the Far East.

Bao Dai and the French Government had definite ideas about what the United States could do to ease their difficult situation. Diplomatic, economic, and military assistance was the formula: recognition of Bao Dai; economic aid under Point Four or by other means; and military aid in the form of arms and equipment, perhaps through allocation of some of the $75 million appropriated by Congress for use in the "general area" of China. American official thinking, despite recognition that support of Bao Dai might constitute something of a moral handicap throughout Southeast Asia, did not necessarily exclude any of these expedients. There was a pronounced feeling, however, that the most essential question had been overlooked—namely, that of Vietnamese independence. Unless France was willing to give some substance to the powers of the Bao Dai regime, it was more than doubtful that other measures would achieve their aim. In the American view, France was moving far too slowly in transferring authority to local administrations in Vietnam. Any American aid that might be provided was likely to be conditional on steps to make Vietnam's independence look more like a reality.

Events in China, meanwhile, threatened to give the situation an ugly turn. Physically there was nothing to prevent the Chinese Communists from giving Viet Minh the same kind of "clandestine" assistance that Albania, Yugoslavia, and Bulgaria had supplied to the Greek guerillas. Already there were rumors of sporadic military cooperation between Viet Minh and the ad-

vancing Chinese Communist troops. As remnants of Chiang Kai-shek's forces streamed across the Indochina border, the air rang with Communist charges that they were being pressed into the French service against Ho Chi Minh. Such allegations, no matter how unfounded, would be a natural preliminary to intervention.

Moscow and Peking seemed to be preparing to take up Viet Minh's cause in a more practical way than had been possible hitherto. This intention was removed from the realm of doubt in mid-January 1950 when both capitals accorded diplomatic recognition to the insurgent regime under its formal title of the "Democratic Republic of Vietnam." Ironically, the step came at a moment when France had been on the verge of recognizing the Chinese Communists. The French Communist party, meanwhile, was underlining the global character of the Communist offensive by threatening to prevent the embarkation of French troops for Indochina as well as the unloading of military equipment received from the United States. The situation had reached a point where it was a matter of concern to the whole free world—one in which a decision by the United States as to what it could or could not do seemed indispensably necessary.

3. *Problems of Japan and Korea*

The immediate demands on the United States in Southeast Asia differed in both kind and degree from those it faced in the territories that comprised the former Japanese Empire. As the principal victor in the Pacific war the United States had assumed major responsibility, on behalf of all the United Nations, for Japan's postwar occupation and its regeneration as a peace-loving democratic state. Occupation of Japan proper involved American occupation of its insular possessions as well—except for Formosa, which was provisionally handed back to China, and the Kuriles and Southern Sakhalin, turned over to the U.S.S.R. in accordance with the Yalta agreement. On the Asiatic mainland the "liberation" of Korea had come about in such a way that the United States remained deeply involved in the fortunes of the Korean Republic, whose right to exist even

in the southern half of the country was under constant challenge by the Soviet-controlled puppet regime installed north of the 38th parallel.

Few international obligations undertaken by the United States in the postwar period surpassed in magnitude and importance those that had fallen to General Douglas MacArthur in occupied Japan, as Commander in Chief of the U.S. Forces in the Far East and Supreme Commander for the Allied Powers (SCAP). In terms of population, the 80 million Japanese overshadowed the 67 million Germans and 7 million Austrians affected by the Allied occupation in Europe. In terms of technical and material preeminence, modern Japan had been the leading power of the Far East even more truly than Germany had been the dominant force in prewar Europe. In terms of centralization of responsibility, nothing in other parts of the world could be compared with the semi-autocratic rule exercised by the distinguished American general, with little control from his own government and virtually none from the other 10 governments represented on the Far Eastern Commission in Washington.[30]

In spite of obvious differences, postwar American policy in Japan had developed in a way that offered striking parallels to the German situation. In both countries the initial Allied occupation aim had been the same: eradication of the conditions that had made aggression possible, combined with democratic social and political reform paving the way for readmission to the international community. In Germany this was to be accomplished by liquidation of the existing state and party machinery and a rebuilding of German political life from its foundations; in Japan, an attempt was made to accomplish the same end by infusing a new democratic content into the traditional framework of the emperor system. As time went on, however, the character of these endeavors was modified—perverted, according to some—by the East-West tension, which placed the German and Japanese problems in an altogether different perspec-

[30] The membership of the Far Eastern Commission was raised to 13 through the accession of Pakistan and Burma on November 17, 1949.

tive. Originally viewed mainly as disturbers of the peace, to be punished and reclaimed by international effort, both Germany and Japan came to be looked upon as important elements in a world politico-military balance which was threatened primarily by disputes among the victorious powers themselves.

The natural reaction of the powers with occupation responsibilities was to give diminishing emphasis to curbing the former aggressors, and to lay increasing weight on their restoration to economic and political viability. In the case of the United States the trend was powerfully reinforced by motives of economy. The administration and Congress were unwilling to go on indefinitely providing the dollars needed to keep the German and Japanese economies functioning at an artificially restricted level. In Germany the change of emphasis was traced in a progressive removal of limitations on German economic activity. In Japan a parallel process culminated in 1948–1949 in the abandonment of decartellization measures, the institution of an "Economic Stabilization Program" to strengthen the Japanese economy and increase its productivity, and the decision to suspend Japanese reparations payment as of May 12, 1949.[31]

This process undoubtedly did accelerate the recovery of Western Germany and Japan, reducing somewhat the burden on the occupying powers and enabling the former aggressor states to make a more significant contribution to general economic recovery in Europe and the Far East. Politically, however, it had certain negative effects. It heightened the tensions and suspicions between the Western powers and the U.S.S.R., thereby exacerbating the very conflict that had been mainly responsible for the change of policy. Furthermore, it gave new confidence to various nationalistic and authoritarian elements in the occupied countries, which had survived the early postwar reforms and now, as occupation controls relaxed, began to resume their former influence. In neither Germany nor Japan was the possibility to be excluded that such elements, equally indifferent to the ideological claims of East and West, would regain a position

[31] *The United States in World Affairs, 1948-1949,* 288-301.

in which they could play off one side against the other in the interest of their own aggrandizement.

This prospect was chiefly responsible for the noticeable friction the new policy engendered among non-Communist nations. Measures to restore German and Japanese power were distinctly unpopular with the smaller countries that had directly experienced Axis aggression and feared the political and economic recovery of the Axis states. In Europe, the United States shared the onus of this feeling with Great Britain and France. In the Pacific, however, as the price of its sole control in Japan, it stood practically alone in facing a chorus of angry criticisms of its Japanese policy from Australia, New Zealand, the Philippines, Nationalist and Communist China, and various other participants in World War II.

By early 1949 the outlines of Japan's new, American-sponsored course were fairly well established. The ultra-conservative coalition government of Shigeru Yoshida that emerged from the elections of January 23, 1949 embodied Japan's democratic regeneration in a manner that satisfied SCAP, even if some independent observers thought it left a good deal to be desired. "The American people," wrote General MacArthur on July 3, 1949, "may feel assured . . . that those immutable concepts of American democracy offered here as a means to the betterment of individual life and truly worthwhile collective peace will be cherished, preserved and advanced as the Japanese people march toward the higher and more objective destiny within the fellowship of man."

Economic recovery appeared to be advancing significantly under the new "austerity program" associated with Joseph M. Dodge, the Detroit banker who was General MacArthur's principal adviser on economic affairs. The general index of industrial production, based on 1930–1934, rose from 47 in January 1948 to 76.8 in January 1949, and to 89.9 in June 1949. Foreign trade underwent a comparable increase—$699.7 million in 1947, $941.2 million in 1948, $900.8 million in the first seven months of 1949—but still remained far below prewar figures. Japan's international trade was slowly tending toward a more

normal pattern, with a declining import surplus and diminishing dependence on the United States—which, however, still supplied nearly two-thirds of Japan's imports in the period January-July 1949. A very considerable balance-of-payments deficit had still to be made up by direct dollar aid, which by the end of 1949 had reached a five-year total just short of $1.5 billion.[32]

How long the favorable trend would continue depended on a number of factors both in Japan and outside. Japan's fundamental problem was that of rebuilding a sufficiently thriving external trade to maintain its prolific population on a territory that was extraordinarily poor in raw materials and other resources. The war years, with their territorial losses and population increase, had accentuated the problem while multiplying the obstacles to its solution. Few countries, in Asia or beyond, welcomed the possibility of renewed Japanese commercial competition, the nightmare of so many of them in the 1930's. The advent of nylon had virtually destroyed the traditional overseas market for raw silk products. Proposals to revive the Japanese merchant fleet, an important prewar source of foreign exchange, encountered strong opposition from maritime interests in various countries, not excluding the United States.[33] Revival of the fishing and whaling industries had been subject to various restrictions in which both security and economic considerations evidently played a part.

Rationalization and modernization of the Japanese economy would do something to improve Japan's competitive position, but would not solve the problem of markets. In view of the obstacles to Japanese commerce in the world at large, it was natural for Japanese businessmen to look to China as a major outlet for Japanese manufactured goods and a main source of raw materials and foodstuffs. But Japanese trade with a Communist China was a possibility that American authorities were reluctant to envisage. Its manifest economic advantage for both

[32] Hermann Volle and Herbert Rehbein, "Die wirtschaftliche Lage Japans nach dem Zweiten Weltkrieg," *Europa-Archiv*, V, March 5, 1950, 2865-2878.

[33] Approval of a $24 million shipbuilding and ship conversion program was announced on December 27, 1949.

sides might have two undesired effects: strengthening of the Communist regime in China, and weakening of the Western attachments that American policy in Japan had tried to foster.

Pending a solution of these larger enigmas, "economic stabilization" was causing certain transitory difficulties in Japan itself. By mid-1949 there were signs of a moderate business recession, due primarily to international economic factors but accentuated in some directions by the local impact of the "austerity program." Budgetary retrenchment and wage stabilization were essential features of the plan; but the resultant layoffs of government workers—especially railwaymen—heightened the prevalent unrest of Japanese labor and led to recurrent waves of agitation, in which Japanese Communists obviously played a stimulating role.

In midsummer, Communist-fomented outbreaks of sabotage and violence reached such dimensions that General MacArthur, in a Fourth of July message to the Japanese people, broadly hinted that the party deserved to be outlawed. No such drastic step was taken at that time, however. Later events indicated that the Communists, despite marked gains in the January elections, had seriously overreached themselves and were suffering a diminution in numbers and influence. Arraigned before the conservative-dominated Diet in connection with the events of the summer, they disclaimed any desire of provoking violent revolution—only to be castigated by the international militants of the Cominform for abandoning revolutionary methods and compromising with "the imperialist occupiers of Japan and the enemies of independence." [34]

As usual, the popularity of the U.S.S.R. declined along with that of its local partisans. Not being an occupying power in Japan, the Soviet Union was spared the direct detestation it had earned in Germany; and it made what use it could of its seat on the Far Eastern Commission and the Allied Council in Tokyo to encourage discontent with the conservative and—as it alleged—anti-labor orientation of U.S. occupation policy. To the Japanese, however, the U.S.S.R. was principally known as the power

[34] *For a Lasting Peace, For a People's Democracy!*, January 6, 1950.

that was continuing to hold nearly half a million Japanese war prisoners and civilian internees, four years after the end of hostilities. The fate of these Japanese was as mysterious as that of the even larger number of German prisoners of war still held by the Soviets.[35] The two cases showed a striking similarity in the evasiveness of Soviet spokesmen, the repeated failure to fill the limited repatriation quotas, and the mounting disillusionment of German and Japanese opinion.

In May 1949 the U.S.S.R. reported that only 95,000 Japanese prisoners in Soviet-held territories remained to be repatriated. A portion of these—some of whom showed strong though evanescent signs of Communist indoctrination—were returned to their homes in the course of the year. Concerning the much larger number who were still unaccounted for—estimated by the Japanese Government at 376,939[36]—Soviet spokesmen maintained an irritating silence. In December, when the United States attempted to bring about a showdown on the matter in the Allied Council, the Soviet representative resorted to "walkout" tactics which were repeated each time the issue was brought up in the early months of 1950.

Though Japan was not a major theater of the cold war, it was one of the half-dozen countries whose ultimate fate depended most directly on the relations of the great powers. These powers alone were capable of putting an end to the existing state of war and defining the conditions under which Japan would reenter international life. The fact that not even a beginning had been made toward drafting a Japanese peace treaty reflected the consciousness on both sides that great-power objectives—especially American and Soviet objectives—in Japan would be difficult if not impossible to reconcile.

Divergent views about the specific treaty obligations to be imposed on Japan might perhaps have been adjusted, as had been done after a fashion in the minor European peace treaties. The real stumbling block, as became more apparent from year to year, arose from Japan's strategic position relative to the

[35] Cf. above, pp. 194-195.
[36] *Department of State Bulletin*, XXII, January 16, 1950, 102-103.

U.S. and the U.S.S.R. Under cold war conditions, both powers tended to be less apprehensive about renewed Japanese aggression than about possible use of Japan by one of them to the detriment of the other. For the United States, the security of the Japanese home islands had come to be regarded as an essential factor in American defense, and American strategic dispositions in the Pacific depended on the continued use of Japanese bases in the event of hostilities. To the Russians this concept was one more manifestation of what they chose to consider the "aggressive" aims of American foreign policy, which, according to them, involved the use of the former Axis states as spearheads for aggression against the U.S.S.R.

The underlying opposition between Soviet and American aims was reflected in their long-standing differences concerning the proper method of negotiating a Japanese peace treaty—differences that had been confirmed in Vyshinsky's argument with Acheson, Bevin, and Schuman at the Paris Council of Foreign Ministers.[87] Russia wanted the treaty drafted by the Big Four or the Big Five, with each power exercising the right of veto; the United States wished to get away from the veto and give a voice to the other interested governments that were represented on the Far Eastern Commission. The other Pacific countries had strong ideas about the Japanese settlement which they would express vociferously in any case, and it seemed better to let them have their say in a body where they would at least dilute the Russian influence. The Chinese revolution, and the certainty that Mao Tse-tung's government would demand a voice in Japanese affairs, increased the American preference for a large negotiating group. On the other hand, it certainly did not increase the likelihood of East-West agreement on the substance of the treaty.

In view of the obstacles to an over-all settlement, U.S. officials had occasionally toyed with the idea of a separate peace between Japan and the non-Soviet Allies. Such an arrangement would do away with some of the legal anomalies, speed the end

[87] Above, pp. 42-43. For earlier discussions of the same point, see *The United States in World Affairs, 1947-1948*, 162-164.

of the occupation, under which the Japanese were becoming increasingly restive, and clear the way for normal Japanese relations with a large part of the world. Neither Allied nor Japanese quarters could muster much enthusiasm for a partial peace that would be open to challenge by the U.S.S.R. at all times. On the other hand the Russians, not being occupants, had no effectual way of preventing its consummation. In Washington in September, Acheson and Bevin had agreed that a peace treaty with Japan was urgently necessary. Both governments were known to have the legal and other problems under study, and Japanese spokesmen seemed to expect some kind of decision by early 1950. There being no evidence of a prospective meeting of minds with the U.S.S.R., the world was left to conclude that a separate peace was actively under consideration.

Even such a peace would raise difficult questions about how Japan would be fitted into the otherwise highly fluid structure of Allied policy for the Far East. Opinions varied greatly concerning the suitable penalties for Japan's aggression and the necessary guarantees against its repetition. Other members of the Far Eastern Commission were by no means reconciled as yet to the unilateral (and ostensibly "provisional") suspension of Japanese reparations payments by the United States. By their resistance to various U.S. moves to rehabilitate Japan in the eyes of the world, they showed that they were very far from sharing SCAP's confidence in Japanese moral reformation. But demands for a "hard" peace would not only conflict with the general trend of U.S. policy; they would also encounter strong resistance from the Japanese themselves, whose self-assertiveness was certainly not diminishing as time went on. Japan, too, would have "peace aims" to put forward, and there were some indications that they would include restoration of a part of the territories already taken from Japan in accordance with inter-Allied agreements.[38]

[38] A Japanese government spokesman was quoted in press reports of December 22, 1949 as telling the foreign affairs committee of the Japanese House of Representatives that Japan was not bound by the Yalta agreement of 1945 but was entitled to claim sovereignty over the Southern Kuriles and Southern Sakhalin as well as the Bonins, Okinawa, and Iwo Jima.

The greatest difficulties, however, would have to do with the methods of assuring Japan's defense after the military occupation was ended. Under the postwar constitution inspired by SCAP, Japan had forever renounced war and forever abolished its armed forces. Should the treaty, therefore, provide for continued occupation of strategic points in Japan by the United States, an arrangement that would be violently objectionable to the Russians and scarcely popular in either Japan or the United States? Or should Japan be authorized to maintain at least limited defensive armed forces—an expedient that seemed to tempt the Japanese Government, but was calculated to heighten the apprehensions of most of Japan's former enemies? On such matters even the State and Defense departments in Washington were still some way from agreement.

Looked at broadly, Japan seemed to present an almost insoluble problem for U.S. policy. The impressive reorientation of Japanese life effected by SCAP could have meaning only if it were viewed as a step toward Japan's peaceful reintegration, economic and political, into the life of the Far East. It was possible to question whether SCAP's policy of leniency toward the traditionalist elements in Japanese society had in fact conduced to such a reintegration. Other Pacific nations, fearful of a renewed outburst of Japanese nationalism, seemed not to think so.

In a larger sense, however, any real solution of the Japanese problem depended not only on SCAP and the Japanese but on the united efforts of all countries interested in the Far East, including the U.S.S.R. and China. No such unified effort could be expected while those countries remained so bitterly at odds with one another. Failing any prospect of accommodation between Washington and Moscow, Japan seemed likely to take its place as a somewhat unruly American client state, a permanent economic and military liability and a continuing source of friction between the United States and its Pacific allies. The other and even less attractive alternative was that Japan might emancipate itself from American tutelage and resume the career of

aggrandizement that had been halted with such difficulty in 1945.

Japan's former possession of Korea was another Far Eastern country which the cold war had plunged in a situation from which no reasonable exit was visible. Divided between two governments, each of which considered the other illegal and aspired to control the whole country, Korea had no hope of regaining its unity peacefully while the stalemate among the great powers continued. The South Korean government, recognized as the Republic of Korea by the United States and the U.N. General Assembly, recalled that of Greece in its conservatism, its exposure to Communist guerrilla attacks, and its heavy dependence on American military and economic aid. Unlike Greece, it had little reason to hope for an improvement in its fortunes through any falling-out among its enemies such as had occurred in the Balkan arena with the defection of Tito's Yugoslavia.

Having become involved in Korea as a result of military operations, the United States had found itself unable to withdraw because to do so would have subjected the entire country to Soviet-Communist rule. The direct confrontation of East and West across the 38th parallel continued even after the situation had become partially stabilized through the establishment of a U.N. Commission (boycotted by the Soviet Union), the holding of supervised elections in South Korea, and the formal proclamation of the Korean Republic at Seoul in August 1948. Although Soviet occupation forces were allegedly withdrawn at the end of 1948 and the last U.S. occupation troops embarked in June 1949, the U.S.S.R. obviously retained close control of the "Democratic People's Republic" in Pyongyang, and the United States continued to support President Syngman Rhee's government with military and political advice and material assistance. An American advisory group was active in the training of Korean security forces; a small amount of military equipment was earmarked for Korea under the Mutual Defense Assistance Act of 1949; and during its

1949 session Congress appropriated $60 million in support of the economic assistance program administered by ECA as successor to the Army.[39]

With this assistance Southern Korea was making some progress toward overcoming the handicaps of its long subjection to Japanese rule and its severance from the more industrialized northern half of the country. Though inflationary pressures were causing serious concern and some features of Korean internal politics bore an uncomfortable resemblance to military dictatorship, both conditions could be ascribed in large part to the tension resulting from conditions north of the 38th parallel. The most serious threat to Korea's future lay in the constant disturbances—both propagandistic and military—fomented in the Russian-controlled half of the country, which in turn produced an increasingly intransigent and bellicose attitude on the part of the Republican government.

In September the U.N. Commission on Korea, in a report to the General Assembly which described the over-all situation as "now no better than it was at the beginning" and the prospect of unification as "more and more remote," declared that the "military posturing" on both sides of the parallel involved a real danger of open military conflict. The Commission engaged in some rather vigorous criticism of the Republican government, which, it said, had rejected every proposal looking toward a modus vivendi with Northern Korea and had made no effort to unify political sentiment in its own half of the country. The basic difficulty, however, was beyond Korean control: "The relations between the U.S.S.R. and the United States continue to be the largest single, and perhaps decisive factor contributing to the growing hardening of relations between north and south." [40] The United States, through its power to grant or

[39] Above, pp. 62, 84, 87-88. On the background of the Korean problem see *The United States in World Affairs, 1945–1947,* 273-280; *1947–1948,* 169-181; *1948–1949,* 306-312.

[40] Report of the United Nations Commission on Korea, August 1949 (U.N. General Assembly, *Official Records, Fourth Session,* Supplement No. 9), I, 32-34. Representatives of Australia, China, El Salvador, France, India, and the Philippines signed the report in the absence of the Syrian representative. On October 21 the Assembly, over strenuous objections by the Soviet bloc, renewed

withhold aid to Korea, had a potent means of influencing the Korean Government in a liberal direction. Even a liberal Korea, however, supposing it were to emerge at all, would probably represent a net liability to the United States as long as its fate hung so entirely on the actions of a hostile great power.

4. Birth of a Policy

That the United States lacked a "policy" for the Far East was a favorite commonplace of American political conversation during 1949, uttered with every shade of cynicism, exasperation, and concern. Like most neat generalizations, it overstated the case. The U.S. Government did have definite goals in the Far East, and positive ideas about the desirable and undesirable means of pursuing them. It still hoped, for instance, for the eventual emergence of an independent, democratic China, and believed that a natural opposition between Chinese and Soviet interests would conduce to this result even though nothing was to be gained by further support of Chiang Kai-shek. While it declined to participate in a Far Eastern security pact, it definitely favored "realistic" measures to strengthen the defensive capabilities of non-Communist nations in the Orient. Though it had no idea of initiating a Far Eastern "Marshall Plan" to wipe out the causes of economic discontent on a regional scale, it had evolved in the Point Four program a method of operation more suited in many ways to the underdeveloped condition of the Far Eastern economies. It favored self-government for Indonesia, and autonomy for Indochina, as the firmest bases for the peaceful and democratic development of those lands. And it was proceeding with the rebuilding of Japan as a vital factor in the life of the Far East.

While none of these lines of action commanded universal assent, each of them corresponded to definite notions about the nature of the Far Eastern situation, the requirements of Ameri-

the Commission's mandate and instructed it to "observe and report any developments which might lead to or otherwise involve military conflict in Korea" (General Assembly Resolution No. 293). On the question of Korea's membership in the U.N. cf. above, pp. 288-289.

can interest, and the limitations of American power. What seemed to be lacking was an over-all view, a synthesis which would bring all of these separate principles into focus, subordinate secondary objectives to essentials, and relate the whole to the plans of friendly countries and the global responsibilities of the United States.

The development of such a synthesis—a body of ideas flexible enough to fit the still highly unstable situation in the Far East, but firm enough in essentials to serve as a reliable guide to future action—had been one of the main endeavors of the State Department, quietly pursued through the fall of 1949 amid the distracting influences of the domestic political battle. Many minds contributed to this effort, which centered in the special panel of consultants set up by Acheson in the summer.[41] No formal report was prepared, and no attempt was made to close the inquiry as of a particular moment. In December Dr. Philip C. Jessup, the Ambassador-at-Large, left for the Far East—on a "slow boat," as the administration's critics did not fail to point out—to supplement the work done in Washington by conferences and direct observations throughout the area.

The broad effect of this inquiry was to confirm administration views on the China situation, and to focus attention more sharply on the social and psychological aspects of the Far Eastern problem. A real revolution was in progress in Eastern Asia —such was the general feeling. A situation had been created that could not be dealt with successfully by purely military means. "No program in Asia today has meaning or promise," wrote Dr. Fosdick, one of the consultants, "which does not integrate itself with the struggle of the common people for a better life. . . . We must identify ourselves with the just and humane purposes of this revolution, and make them our own. . . . We must prove to the nations of Asia that in their struggle for freedom and for a fairer share of the rewards of labor and the good things of life, Western democracy can offer them far

[41] Cf. above, p. 60. Dr. John Leighton Stuart, the U.S. Ambassador to China, who had been recalled for consultation in April, participated actively in the deliberations together with Messrs. Case, Jessup, and Fosdick.

more in the way of understanding and championship than can communism. Only [thus] . . . can we recapture the initiative which communism has gained." [42]

The study had been purely advisory in character, and the Secretary of State was under no obligation to accept the views developed. Very similar ideas, however, formed the groundwork of the "extemporaneous remarks" in which Acheson at long last, on January 12, 1950, outlined the major principles of U.S. Far Eastern policy at a luncheon of the National Press Club in Washington. Quite without fanfare, a week after the President's rejection of the demands for action in Formosa, the Secretary of State permitted a first glimpse of the broader picture which had been awaited for so many months.

No mere summary can convey an adequate idea of the comprehensiveness and verbal brilliancy of this speech, in which Acheson—himself under heavy political attack—attempted to knit together the separate strands of U.S. Far Eastern policy and to distinguish the possible from the impossible and undesirable. Its keynote was the identity of interest between the people of the United States and the peoples of Asia—an identity that went far deeper than their immediate concern with the Communist problem. "I hear almost every day someone say that the real interest of the United States is to stop the spread of Communism. Nothing seems to me to put the cart before the horse more completely than that. . . . Our real interest is in those people as people. It is because Communism is hostile to that interest that we want to stop it." And, Acheson continued, the way to achieve this aim lay precisely in helping the Asian peoples to realize their own primary aspirations—sound administration, education, development of resources and technical skills which would make them proof against infiltration and deception.

No uniform policy could be devised to fit all the manifold problems of Asia, Acheson emphasized: ". . . there must be certain similarities of approach and there must be very great

[42] Raymond B. Fosdick, "Asia's Challenge to Us—Ideas, Not Guns," *New York Times Magazine,* February 12, 1950.

dissimilarities of action." In China, the best way of driving home the community of American and Chinese interests was to avoid "the folly of ill-conceived adventures." Otherwise we would only deflect against this country the Chinese wrath which must be allowed to concentrate itself upon the U.S.S.R. and its Chinese instruments. Soviet actions in China, Acheson averred, "are making plainer than any speech or any utterance or any legislation can make throughout all of Asia what the true purposes of the Soviet Union are and what the true function of Communism as an agent of Russian imperialism is."

Threats to military security, according to Acheson, were "not the most immediate" danger in the Pacific area. Nevertheless he developed at some length the concept of a "defensive perimeter" which, he said, ran along the Aleutians to Japan, thence to the Ryukyus, and thence to the Philippine Islands. These, he emphasized, were territories whose defense the United States considered essential under all circumstances. ". . . There is no intention of any sort of abandoning or weakening the defenses of Japan . . . whatever arrangements are to be made either through permanent settlement or otherwise, that defense must and shall be maintained. . . . We will at an appropriate time offer to hold [the Ryukyus] under trusteeship of the United Nations. But they are essential parts of the defensive perimeter of the Pacific and they must and will be held. . . . It is hardly necessary for me to say an attack on the Philippines could not and would not be tolerated by the United States. But I hasten to add that no one perceives the imminence of any such attack."

Concerning the military security of other areas in the Pacific —which, of course, included Korea, Indonesia, Indochina, Thailand, Burma, and Malaya—Acheson said plainly, "it must be clear that no person can guarantee these areas against military attack." Such a guarantee, he added, would be "hardly sensible or necessary within the realm of practical relationship." Should there be an attack on one of these areas, he said, "the initial reliance must be on the people attacked to resist it and then upon the commitments of the entire civilized world under the Charter of the United Nations which so far has not proved

a weak reed to lean on by any people who are determined to protect their independence against outside aggression."

In general, however, these areas were not so much threatened by military attack as by their susceptibility to penetration and subversion, which the Secretary clearly considered the more pressing type of danger. Here again, he differentiated sharply between what the United States was doing and could do in different parts of the Far East. In Japan, Korea, and the Philippines, there had been both an obligation and an opportunity to act on a considerable scale. Elsewhere in Southeast Asia, however, the United States had no such direct responsibilities. There we were but "one of many nations who can do no more than help." In these countries the initiative must lie with the peoples concerned, who had achieved their independence and must decide for themselves whether they desired help and could create conditions in which it would be effective—for American assistance was not a cure-all, but could be effective only "when it is the missing component in a situation which might otherwise be solved." The determination, the will, and the loyalty were elements that the United States could not supply.

In the violent political atmosphere of Washington, it was natural that the Secretary's comments on the Chinese situation should attract more attention than his attempt to deal with the broader problem of the Far East. Actually the most significant feature of his remarks seemed to lie in the division of the area into two zones: one, the "defensive perimeter" plus Korea, in which the United States had definite commitments which it intended to implement; and the other, comprising all the rest of the Far East, in which the possibilities of American action were much more limited.[43]

The speech left too many questions unanswered to be considered a definitive statement of Far Eastern policy. The rough outline Acheson had sketched would require a good deal of filling in. Nothing was said about plans for a Japanese peace

[43] This emphasis may have been partly designed to discourage any exaggerated expectations of American aid on the part of France or of the British Commonwealth nations, whose Foreign Ministers had just assembled at Colombo, Ceylon for a review of Far Eastern problems.

treaty, about practical methods of halting the Communist corrosion in Indochina, about a realistic apportionment of responsibilities and costs between the United States, Great Britain, and France. The "defensive perimeter" itself looked on the map like one of those politico-military compromises that were wholly satisfactory from neither a political nor a military point of view. Its exclusion of Formosa did not diminish the actual strategic importance of that island. Its exclusion of Korea raised vexatious questions about the future of a country where, Acheson had said, the abandonment of the work we had undertaken would seem like "the most utter defeatism and utter madness in our interests in Asia." He could not know that Korea was the country in which, less than six months later, the American nation would face its severest postwar test.

Even more striking in this enunciation of principles was the lack of reference to concrete means of implementation—specifically, to the costs of a program which, in the last analysis, was directed toward helping the peoples of the Far East to help themselves. When all was said and done, significant improvement of conditions in the area would require a good deal of American money—less than was frequently imagined, but more than Congress would wish to appropriate. This, however, was a point on which the Secretary of State had no mandate to speak. He could only point out where American action might be effective and where it seemed certain to be ineffective, leaving it to the future to determine whether the actions taken were to be commensurate with the ends in view.

CHAPTER FOURTEEN

WESTERN HEMISPHERE AND BRITISH COMMONWEALTH

THE THEATER of modern international politics may be said to comprise two principal subdivisions: a main stage on which most of the decisive events take place, and a larger area, comparable to the wings of a theater, from which the action is influenced mainly by indirect means. Traditionally, the center of the stage was Europe; the wings were the overseas territories which the European powers regarded as both an object of contention and a source of strength in their European contests. The events of the Second World War, notably the rise of Soviet Russia to continental predominance, brought Europe and Asia into more direct relation and in a sense enlarged the main stage to encompass the whole of what is sometimes called "Eurasia." The wings now comprise all the rest of the world.

World affairs in the postwar period have centered around a collective effort by many nations to forestall the assertion of Soviet power—animated and sustained by the revolutionary Soviet ideology—over the whole extent of the Eurasian land mass. The main episodes of this gigantic struggle have occurred in countries like Germany, Greece, Turkey, Iran, and China which were the direct objects of Soviet pressure. The function of the other continents, less spectacular but equally vital, has been to serve as the reservoir of strength, moral and material, without which the struggle could not be carried on. Their position recalls the famous speech in which Winston Churchill, on June 4, 1940, voiced England's determination to resist "until, in God's good time, the New World, with all its power and might, steps forth to the rescue and the liberation of the old." [1]

[1] The difference, of course, lies in the fact that after 1945 it was no longer pos-

This New World which stood outside the main path of Soviet expansion comprised four continents, two-thirds of the earth's land surface, a large part of its developed resources, more than a fifth of its population, and nearly half the membership of the United Nations. Its principal components were the United States, Canada, Middle and South America, Australia and New Zealand, and Africa—areas that had little in common except their geographic dispersion and their direct relationship to the ideological and power struggle that was taking place in Europe and Asia.

There may seem to be an element of artificiality in this schematic linking together of regions that stood at such vastly different levels of cultural and political development. The role of Africa, still on the threshold of its emergence from European colonial rule, was obviously very different from that of the United States at the peak of its economic and technical advancement. Nor was it possible to distinguish rigidly between the Old World and the New, the stage and the wings. A whole series of collective arrangements, from the United Nations Charter to the Atlantic pact, showed the vital interconnections between the two groupings. The British Commonwealth of Nations, "perhaps the greatest unifying force which draws together Asia and the West," [2] belonged equally to both worlds and participated in the problems of both.

From the standpoint of U.S. policy, nevertheless, these territories taken collectively exhibited certain common features which resulted in a tendency to relegate them to a secondary plane of urgency. All of them were comparatively remote from the centers of the cold war, and in none of them was the established order seriously threatened by Communist activity. There were, indeed, any number of key points at which Communist infiltration could create embarrassment, and the excitement generated by the Bogotá uprising in 1948 showed a perhaps exaggerated sensitivity to Communist penetration in the Western Hemi-

sible to speak of liberation "in God's good time." "You would be liberating a corpse," as France's Premier Queuille once said.

[2] Ernest Bevin in *Parliamentary Debates, Weekly Hansard,* House of Commons, November 17, 1949, 2211.

sphere.[3] But the eventuality of a Communist seizure of power in the Americas, let alone in Africa or the Pacific, seemed distant enough to justify the United States in concentrating most of its attention on areas where the Soviet-Communist danger was more immediate.

By the same token, its overriding East-West preoccupation influenced the U.S. approach to the specific problems of these "secondary" areas. Military security was perhaps the primary consideration in U.S. relations with Canada, Latin American countries, and to a smaller degree with other members of the British Commonwealth. Economic interest would have been great in any case, since well over half of all U.S. private foreign investment was concentrated in the Western Hemisphere, and countries outside Europe and Asia supplied two-thirds of this country's postwar imports and absorbed nearly half its exports. Strategic considerations, such as the necessity to develop new sources of manganese in Africa (and India) to replace Soviet supplies cut off by the cold war, enhanced the importance attached to these relations.

Politically the diversity of these non-European, non-Asiatic countries ruled out the application of any uniform policy except the general one of cultivating friendly relations, both for their own sake and for the sake of two dozen or more potentially favorable votes in the United Nations and other international bodies. With the nations of the British Commonwealth, American relations were those natural among countries with no important conflicts of interest to offset their sense of historical and political kinship. Africa and Latin America, in different ways, were key areas for the application of certain special principles of U.S. foreign policy. Africa, as the principal remaining theater of "colonialism," offered a continuing test of American theories about the preparation of dependent peoples for self-government and independence. The Western Hemisphere was the site of the world's oldest regional international organization, whose development was looked upon as a major responsibility by all of the 21 American republics. Political turbulence and

[3] Cf. *The United States in World Affairs, 1948–1949,* 356-357.

economic backwardness made Latin America a proving ground for the U.S. doctrine of economic development as an aid to stability.

U.S. foreign relations in these parts of the world, though seldom involving direct conflict with the Kremlin, were not lacking in sources of occasional disagreement with friendlier governments. Differences with Britain, France, Belgium, and South Africa over problems of African administration have been extensively reviewed in another chapter.[4] The corporate existence of the British Commonwealth, essentially an invaluable force for world order and stability, raised various incidental problems for U.S. policy. The invisible ties of Commonwealth membership, reinforced by the economic relationships of the sterling area, were potent restraints on the movement toward European integration and multilateral trade. Individual Commonwealth members often disagreed with Washington on specific policy objectives, notably in the Far East; and the internecine quarrels of India, Pakistan, and South Africa represented a serious breach in the solidarity of the non-Communist nations.

Latin America's troubles were less directly related to matters of world policy but were none the less severe. Still grappling painfully with a feudal social and economic heritage, the Latin American countries were many decades away from attaining the serene prosperity that represented the hemispheric ideal. In terms of the present phase of the cold war, the tribulations of the Latin American republics scarcely merited comparison with, say, those of Korea or Indochina. Nevertheless they too had a bearing on the material and moral strength of the free world and required a special place in the development of a global U.S. foreign policy.

1. Politics and Revolution in Latin America

The situation in Latin America illustrated the need for discrimination in interpreting accepted doctrines of U.S. foreign relations. In many parts of the world U.S. policy seemed

[4] Above, chapter XI.

to be based on a belief that national independence and adequate standards of living were the surest protection against political instability and Communism. Yet the countries of Latin America, after a century and a quarter of national independence, remained one of the most unstable areas on earth. Moreover, the most prolific source of political unrest in Latin America was not the poorest country but the wealthiest, Argentina, whose national income was on a level with that of the most prosperous European countries. And the principal threat to Latin American democratic development came not from Communism but from military groups more or less closely identified with support of the existing, contradictory social order. mained in Latin America a direct correlation between arrested

When all such qualifications were made, however, there resocial development, generalized poverty, widespread illiteracy, economic oppression, political violence, and endemic revolution. One Latin American writer described the setting in a single graphic sentence: "Latin Americans who cannot afford to buy a pair of shoes outnumber the 70 percent who cannot read." [5] In such an environment, democratic institutions could not be expected to function normally. Political life consisted mainly in a continuing struggle for power among mutually antagonistic sections of the narrow agrarian and industrial-commercial ruling class. Although every political faction endeavored to pose as the champion of popular interests and to exploit mass discontent for its own ends, the masses were generally reduced to the role of mute spectators—except on the rare occasions when, as at Bogotá in 1948, their accumulated sufferings found vent in fierce outbreaks of lawless violence.

Long familiarity had led many in the United States to view these manifestations with a certain tolerant complacency, quite different from their concern at similar conditions in Europe or Asia. In one sense this attitude was not without justification. Relatively few people were directly affected by the average Latin American revolution. Even the military dictatorships that

[5] Ciro Allegria, "Democracy in Latin America: VI. Myths Versus Facts," *The Nation,* vol. 170, March 11, 1950, 229.

normally governed half a dozen of the 20 republics were lax and almost benevolent by contemporary European standards. Beneath the agitated surface, life in Latin America pursued its accustomed course. But the course was one that sharply contradicted North American ideas of democracy and social justice, severely limited Latin America's contribution to general world recovery, and every now and then gave rise to some potential threat to hemisphere and world peace.

The prevalence of these conditions was, of course, by no means uniform throughout Latin America. Certain countries, among which Uruguay, Brazil, Chile, and Mexico were conspicuous, stood out by reason of their comparative economic prosperity, relatively progressive governmental policies, and freedom from acute manifestations of internal unrest. These characteristics were an aid to close and cordial relations with the United States. The more disturbing features of postwar Latin American politics were uppermost in three sectors: Perón's Argentina, a half-dozen smaller and medium-sized South American countries, and much of Middle America and the Caribbean area.

Very little purpose would be served by a detailed account of the bewildering series of revolutionary uprisings, successful and unsuccessful, that took place in South and Central American countries between 1947 and 1950. The essential point is that Communism, notwithstanding much propaganda to the contrary by Latin American governments, was not a major factor. Although Communist strength and activity in certain Latin American countries were not inconsiderable, it was probably impossible and certainly unnecessary for the Communists to engineer major revolutionary outbreaks on their own account. Developments in each country had their origin rather in a tangle of local interests and rivalries, for which revolution was the conventional expression and in which the familiar concepts of Left and Right had relatively little meaning. If any general pattern was discernible, it was a pattern of conservative and military reaction against the reformist tendencies of new middle- and working-class groups which, in the early postwar years, were just beginning to enter the political arena. Not infrequently,

Communist tactics involved alliance with the reactionary rather than the progressive forces.

The situation in Argentina, though not entirely typical, possessed special interest because of that country's size and influence in Latin American affairs. The government of President Juan D. Perón, with its simultaneously anti-capitalist and anti-Communist orientation, represented the nearest approach in the Western Hemisphere to the type of fascism that had flourished in prewar Italy and still lingered in Franco Spain. The ostracism imposed as a result of Argentina's Axis connections had long ago ceased, and Argentina was once again an accepted member of the inter-American family. The Perón regime, however, continued to develop along lines that were far from democratic by United States standards.

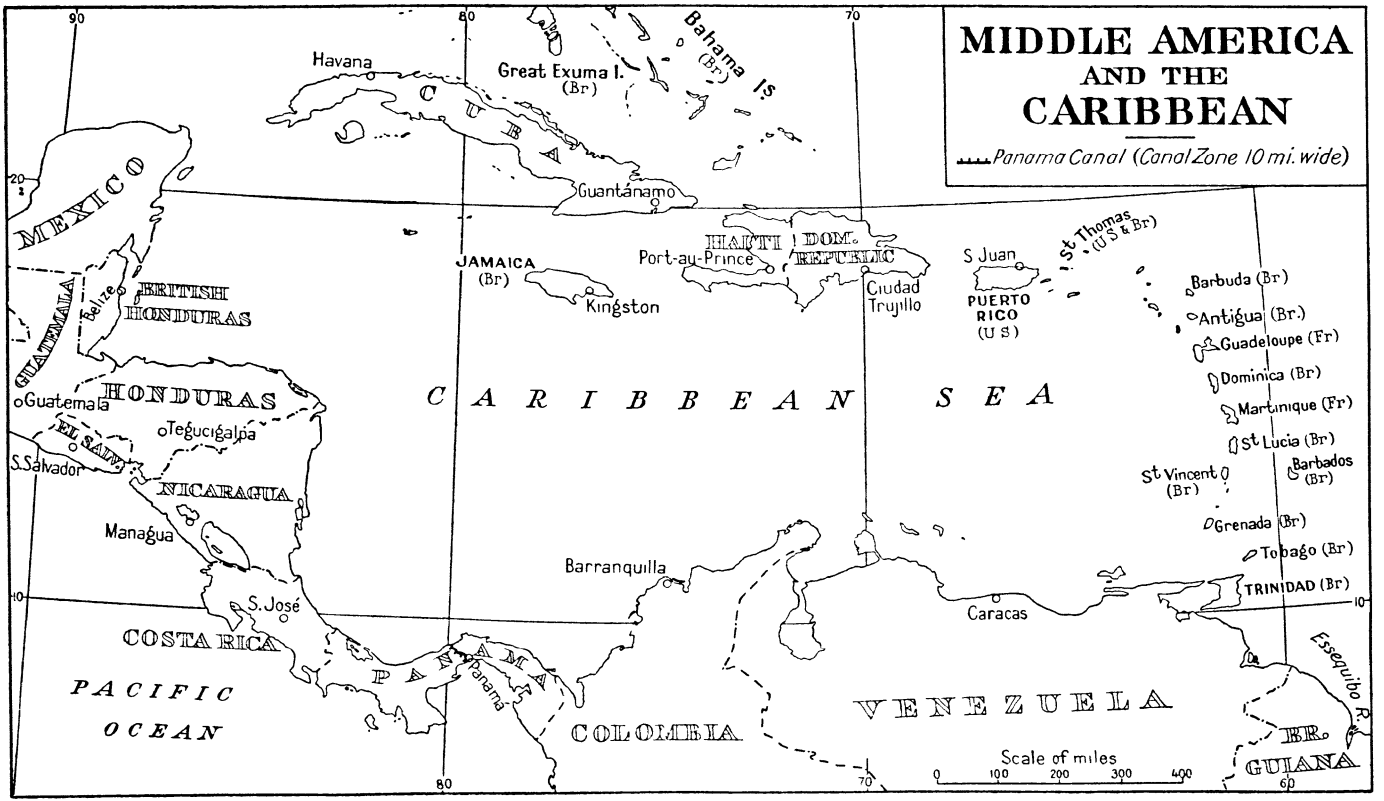
A constitutional revision early in 1949, engineered by a Perónista majority with the aid of an opposition boycott, placed the regime more firmly in its authoritarian saddle and set the stage for an intensified campaign against the liberty of the press and political expression. As economic conditions deteriorated and labor unrest grew, Perón the radical demagogue seemed more and more to give place to Perón the conventional military dictator. Argentine foreign policy, meanwhile, evinced a restless agitation that recalled the early Mussolini. Not content with heavy military expenditures and extreme nationalism, some circles in the Argentine Government seemed to be on the lookout for opportunities to promote similar military-type movements in nearby countries. Even before 1949 there had been persistent though unverified allegations of Argentine complicity in political disturbances that took place in Peru, Chile, Venezuela, and Bolivia.

The right-wing plot against the Chilean Government in 1948 was discovered and its leaders arrested before any harm was done. In Peru, on the other hand, the moderate government of President José Luís Bustamante y Rivero was displaced in October 1948 by a military junta headed by the Minister of Interior, General Manuel Odría. In Venezuela a month later, the

reform program of the *Acción Democrática* party and President Rómulo Gallegos was cut short by another coup which installed another military junta—this one a triumvirate (nominally headed by Defense Minister Carlos Delgado Chalbaud), two of whose members were known admirers of Perón and associates of Peru's General Odría. Bolivia, likewise uneasily governed by a constitutional regime, was plagued by repeated insurrectionary efforts on the part of the extreme right-wing National Revolutionary Movement (MNR), a group which had had close ties with the Argentine Government and was accused of acting in response to Argentine inspiration. In September 1949 the MNR was the chief instigator of a right-wing revolt in the Santa Cruz area, allegedly undertaken with the aid of modern Argentine weapons, which came close to the proportions of civil war.

Such developments might betray an Argentine propensity to fish in troubled waters; but they originated in basically disturbed internal political and social conditions which owed nothing to Perónista intrigue. There were other revolutionary attempts—successful in Paraguay, unsuccessful in Ecuador —in which no particular foreign influence was alleged. And in Colombia, where the presidential election of November 27, 1949 brought a half-century of democratic government to a bloody close, the inspiration of the Conservative victors appeared to be of Spanish rather than Argentine origin. The Conservative presidential candidate, Laureano Gómez, had recently returned from a prolonged stay in Madrid which afforded an opportunity to refresh his native reactionary tendencies at the wellspring of Latin American fascism. Political mistakes by the Liberals, plus the highhanded tactics of Gómez' sponsor, Conservative President Mariano Ospina Pérez, resulted in the election being held under siege conditions, boycotted by the majority party, and followed by Colombia's unequivocal exit from the ranks of democratic nations.

These revolutionary overturns, which ordinarily resulted in the headlong flight of members of the "out" faction, were productive of frequent international incidents and controversies


MIDDLE AMERICA
AND THE
CARIBBEAN
Panama Canal (Canal Zone 10 mi. wide)
90
80
70
60
20
10
Havana
Great Exuma I. (Br)
Bahama Is. (Br)
CUBA
Guantánamo
MEXICO
JAMAICA (Br)
Kingston
HAITI
DOM. REPUBLIC
Port-au-Prince
Ciudad Trujillo
S Juan
PUERTO RICO (U S)
St. Thomas (U S & Br)
Barbuda (Br)
Antigua (Br.)
Guadeloupe (Fr)
Dominica (Br)
Martinique (Fr)
St Lucia (Br)
Barbados (Br)
St Vincent (Br)
Grenada (Br)
Tobago (Br)
TRINIDAD (Br)
GUATEMALA
Belize
BRITISH HONDURAS
Guatemala
HONDURAS
Tegucigalpa
EL SALV.
S.Salvador
NICARAGUA
Managua
S. José
COSTA RICA
PACIFIC OCEAN
PANAMA
Panama
Barranquilla
Caracas
COLOMBIA
VENEZUELA
Esequibo R.
BR. GUIANA
CARIBBEAN SEA
Scale of miles
0 100 200 300 400

involving the right of political asylum.[6] In the Caribbean area, domestic and international strife were even more closely linked because of the leniency of a number of Caribbean governments toward revolutionary activities carried on by political exiles in their territory—activities which, in the words of one inter-American peace mission, had created "an atmosphere of mutual distrust, constant anxiety, and open hostility" affecting the majority of the Central American and Caribbean republics.[7]

The objects of this agitation were the dictatorial regimes of two Caribbean "strong men," General Anastasio Somoza of Nicaragua and Generalissimo Rafael L. Trujillo Molina of the Dominican Republic. Exiles from these and other countries congregated in nearby republics to foment sedition and launch revolutionary attempts against their home governments; an organization known as the Caribbean Legion, more or less openly sponsored by Costa Rica, Guatemala, and Cuba, was generally understood to be working for the overthrow of all dictatorships in the area, starting with Nicaragua and the Dominican Republic. The Nicaraguan and Dominican regimes, in turn, encouraged subversive activities directed against their more radical neighbors. Thus Nicaragua found itself almost permanently embroiled with Costa Rica and Guatemala, while Trujillo's government had chronically bad relations with Cuba, Guatemala, Costa Rica, and neighboring Haiti.

Twice during 1948, irregular armed forces from Nicaragua invaded Costa Rica in an attempt to head off the installation of a progressive constitutional government under José Figueres and President-elect Otilio Ulate, whose election had been voided at the behest of the local dictator. On the second occasion, Costa Rica invoked the peace machinery of the Organization

[6] A conspicuous case was that of Víctor Rául Haya de la Torre, leader of the Peruvian left-wing Apra movement, which was outlawed after the coup of October 1948. Haya de la Torre took refuge in the Colombian Embassy in Lima, where he was forced to remain because of President Odría's refusal to grant him safe-conduct to leave the country. In October 1949 Colombia referred the case to the International Court of Justice.

[7] Pan American Union Document 1918, quoted in W. Tapley Bennett, Jr., "The Costa Rica-Nicaragua Incident," *Department of State Bulletin,* XX, June 5, 1949, 711.

of American States, whose prompt intervention—disclosing both parties to be seriously at fault—forestalled an armed clash and led eventually to the signature of a pact of amity by the two governments in February 1949.[8] In the same month, Haiti brought a similar case before the inter-American organization, charging the Dominican Republic with committing "moral aggression" by granting facilities to a prominent conspirator against the government of President Dumarsais Estimé. Again a special committee was dispatched to the scene, and the two governments were induced to sign a joint declaration in which each promised not to tolerate activities directed against the domestic peace of other friendly nations.[9] Momentarily suppressed here, trouble broke out in another quarter. In June the Dominican Government violently accused Cuba, Costa Rica, and Guatemala of complicity in an attempted airborne invasion of Trujillo's realm.

The trend of affairs in Latin America was unsatisfactory to the U.S. Government for a number of reasons. Here, after all, was an area which was supposed to be a model of harmonious regional life, a source of edification to the rest of the world. The actual situation contrasted unpleasantly with the exalted aims set forth in the Rio pact of 1947 and the various inter-American declarations adopted at Bogotá in 1948.[10] Furthermore, these conditions were difficult to reconcile with U.S. economic and security interests. Over a third of U.S. imports came from Latin American countries, whose constant turmoil sometimes threatened the flow of essential supplies, made difficulties for American business interests, and discouraged new investments of American capital. The instability of governments lessened the value of the mutual defense undertakings in the Rio treaty, at a time when the United States was preparing to deactivate all but two or three of its wartime defense bases in the Caribbean.

[8] *Ibid.;* and *The United States in World Affairs, 1948–1949,* 365.
[9] *Annals of the Organization of American States,* I, 1949, No. 2, 217-219; No. 3, 325-326.
[10] *The United States in World Affairs, 1947–1948,* 114-120; *1948–1949,* 363-365.

It was the use of force as an instrument of political change, even more than the undemocratic character of many Latin American regimes, that particularly concerned the State Department. Although the United States joined with the other American nations in recognizing "effective democracy," along with "nonintervention," as a cornerstone of the inter-American system, Washington was too familiar with the limitations on effective democracy in Latin America to make democratic government an absolute criterion of friendly relations. Argentina had been welcomed back into the inter-American family in 1947 because the United States attached more importance to the solidarity of the American governments than to their ideological tendency—provided, of course, that it was non-Communist. At Bogotá, U.S. delegates had stood up staunchly for the principle of "continuous diplomacy" under which diplomatic recognition of a revolutionary regime could be effected speedily, and without any connotations of moral approval, as soon as it was firmly in the saddle.

Nevertheless, the frequency with which such changes occurred represented a definitely unhealthy trend. As early as December 21, 1948, the United States had advised the other American governments of its "growing concern" at the overthrow of popularly elected governments by military force, a practice which it characterized as "not only deplorable" but "usually inconsistent with the acknowledged ideals of the American republics and increasingly a danger to all the countries of this hemisphere." [11] The subsequent crop of revolutionary outbreaks in the Caribbean area induced the United States in August 1949 to lay the problem before the Inter-American Peace Committee, a five-member group established in 1940 to assist in warding off and resolving disputes among the American states. After studying the views submitted by interested governments, the Committee adopted on September 14 a learned resolution commending such basic inter-American principles as nonintervention, democracy, friendly relations, and

[11] *Department of State Bulletin,* XX, January 2, 1949, 30.

deavored to place such problems in the larger framework of United States concern with Latin America, an area which he described as one whose freedom from wartime destruction and external menace presented "a unique opportunity to press forward toward the positive objectives of our foreign policy." Three major aims, Acheson said, guided U.S. policy in the Americas: "the security of our nation and of the hemisphere; the encouragement of democratic representative institutions; and positive cooperation in the economic field to help in the attainment of our first two objectives." It was unnecessary for him to add that the pursuit of all three aims was subordinated to the fulfillment of more urgent obligations in other parts of the world.

The essentially secondary position to which Latin America had dropped in U.S. policy calculations came out clearly in the autumn meeting of the Inter-American Defense Board, the professional body concerned with hemispheric security problems. The principal event of the gathering was an address by General Bradley on October 11 in which it was tactfully but plainly intimated that the United States had more pressing concerns than the development of military cooperation in the Americas. There was, General Bradley pointed out, "no immediate threat of aggression from communism against the peace of our two continents"; and "the available assistance must go first to those countries most exposed." Nevertheless he urged that plans be laid for combining the manpower, resources, and ingenuity of the hemisphere into an "unassailable defensive force."

The "encouragement of democratic representative institutions" was a matter to which Acheson devoted considerably more attention in his policy address, with particular reference to the U.S. practice of recognizing, after due consultation, governments installed by nonconstitutional methods. It had been argued that this practice served as an encouragement to revolution, since any successful group of revolutionaries could count on recognition once it was in control and promised to respect the country's international obligations. Acheson, on the contrary, maintained strongly that recognition in such cases was in

no way inconsistent with the basic U.S. interest in democratic growth in Latin America. Possibly not without an eye on the China situation, he insisted that diplomatic recognition implied no judgment on a government's origins or policies, need not be taken as "the forerunner of a policy of intimate cooperation," and was motivated primarily by the obvious consideration that "we are all on the same planet and must do business with each other." There were even times, he continued, when recognition would actually serve our long-range interest in the promotion of democracy by keeping open "a channel of communication with the country involved."

This last principle was one that might be applicable not only to China but also to a country like Argentina, with which the United States already had diplomatic relations and, in spite of some reservations about the direction of Argentine politics, seemed ready to collaborate more closely than in the past. For several years U.S.-Argentine economic relations had been steadily deteriorating; but there were signs that the Perón government, having recognized the error of its former spendthrift financial policies, was disposed to set its financial house in order, pay off its accumulated obligations, and set its trade relations with the United States on a sounder base. U.S. officials, for their part, inclined to put these objectives ahead of any ideological satisfaction that might be gained from keeping the Perón regime at a distance. On December 15 the State Department announced the conclusion of a joint Argentine-U.S. investigation of relevant commercial and financial problems, which, it said, had made possible "the building of a firm basis for closer and continuing cooperation between both governments in the future economic relations of Argentina and the United States." [18]

Particular interest attached to Acheson's remarks on "positive cooperation in the economic field" because of the difficult balance-of-payments problems besetting many Latin American countries, the unsettled status of the Point Four program in

[18] *Department of State Bulletin,* XXII, January 2, 1950, 31.

Congress and the United Nations,[19] and the obvious connection between economic and political conditions in an area where millions of people lived so close to the subsistence level. Latin America, too, had its problem of the "dollar gap," which was being narrowed only by dint of strenuous import and exchange controls. The result had been a steady contraction of imports from the United States and a definite over-all deterioration of living standards. Although Brazil and Colombia had benefited somewhat from a rise in world coffee prices, Bolivia, Chile, and Peru had been especially hard hit in recent months by declining world demand for tin, copper, and other metals.[20]

There was a widespread feeling in Latin America that the United States, in devoting the bulk of its resources to promoting economic recovery in Europe, had failed to live up to the obligations incumbent upon the richest country of the Western Hemisphere. Dislike of "Yankee imperialism" did not preclude resentment over the fact that most loans and grants from U.S. sources were going elsewhere. The Marshall Plan, whose indirect benefits to Latin America had fallen short of expectations, was a sore point in hemisphere affairs. Latin American demands for increased economic assistance, both short- and long-range, were one of the "constant" elements in U.S. foreign relations.

Being in no position to extend immediate aid on the desired scale—and more than skeptical about the economic justification for many Latin American requests—the United States had made a virtue of necessity by concentrating on those phases of eco-

[19] Cf. above, pp. 91-102, 332-347.

[20] A few figures tell the story for Latin America as a whole (in millions of dollars):

	1947	*1948*	*1949*
Imports from the U.S.	3,858	3,166	2,712
Exports to the U.S.	2,168	2,352	2,304
Excess of imports	1,690	814	408
ECA Latin American expenditures	——	142	325

Sources: Evelyn M. Parrish, "United States Trade with Latin American Republics in 1949," *Foreign Commerce Weekly,* XXXIX, No. 2, April 10, 1950, 6-8, 44-45; Economic Cooperation Administration, Division of Statistics and Reports, *Paid Shipments,* March 31, 1950, 5. Cuban sugar accounted for approximately one-fourth of the value of all ECA procurement in Latin America.

nomic cooperation with Latin America that promised to bring substantial benefits over the longer term. An example of this approach was the work of the Joint Brazil-United States Technical Commission, which exhaustively surveyed the Brazilian economy in 1948–1949 and outlined a program of development which received joint official endorsement when President Eurico Dutra visited Washington in May 1949.[21] The same emphasis was conspicuous in Acheson's speech of September 19, in which the balance-of-payments problem was mentioned only as "one to which we must direct our thoughts in the most constructive way possible."

In the matter of long-range economic development, to which he devoted the bulk of his remarks, Acheson had little that was new to propose. His speech was essentially a restatement of past accomplishments and known U.S. views, with emphasis on the principles of self-help, predominantly private enterprise, and balanced development which differentiated the U.S. concept of Point Four from the free-spending, publicly sponsored type of program most Latin American governments would have preferred. Technical cooperation between U.S. and Latin American agencies, Acheson pointed out, had furnished "the inspiration and the proving ground" for the whole world-wide Point Four program. Export-Import Bank loans totaling over $700 million had been a stimulus to innumerable constructive enterprises throughout the Americas. The United States had given and would continue to give vigorous support to worthwhile Latin-American projects within the domain of the International Bank and the International Monetary Fund.

But, Acheson went on, there were definite limits on the availability and utility of investment capital from public sources. "Loans of public funds . . . can only be supplementary to the efforts of private capital, both local and foreign . . . . it would be contrary to our traditions to place our government's public funds in wasteful competition with private funds . . . . it will

[21] Joint statement, May 21, in *Department of State Bulletin,* XX, May 29, 1949, 694-695. The Commission's report is printed as Department of State Publication 3487 (Washington, 1949).

be our policy, in general, not to extend loans of public funds for projects for which private capital is available."

Continuing his enunciation of unpalatable truths, Acheson took issue with another favorite Latin American conception: "Nor do we necessarily believe that rapid industrialization is good per se . . . . we believe that a balance should be achieved between industry, agriculture, and other elements of economic life. . . . Irrigation projects, the use of agricultural machinery, the restoration of old land through fertilizers—these simple measures may do more to raise the standard of living than a dozen new industries." Referring to the need of creating conditions attractive to private investment, the Secretary mentioned the desire of the U.S. Government to negotiate treaties to this end,[22] and suggested that such conditions were generally found "in countries where constitutional and political democracy exists." Finally, he said, "I cannot stress too strongly that progress will come most rapidly in countries that help themselves most vigorously."

This address, in some ways the most important official pronouncement on hemisphere policy in a number of years, received less than the attention it deserved. A part of the neglect could be ascribed to sensational developments in other fields on the eve of the General Assembly session.[23] The speech itself, however, lacked the imprint of any new and dramatic idea. Its content was mainly negative: the United States, it was clear, had no plans for stepping up the investment of public funds in Latin America, nor for exerting its influence in support of "democratic" movements in particular Latin American countries. Long-range efforts to improve the conditions for democratic development, in Washington's view, could not be conditioned upon the day-to-day changes in the composition of individual governments. This principle might well be sound,

[22] The first fruit of the treaty program (above, pp. 95-96) was a "Treaty of Friendship, Commerce, and Economic Development" with Uruguay, signed at Montevideo on November 23 (text in Department of State Press Release 916, November 23; analysis in *Department of State Bulletin,* XXI, December 5, 1949, 866a-867a).

[23] Cf. above, p. 281.

but it was disillusioning to a good many Latin American democrats.[24] In combination with the limited scope of the official Point Four program, it deprived U.S. action of most of the imaginative appeal it had possessed in the early days of the "Good Neighbor" policy. Acheson's concluding sentence seemed to anticipate a measure of disappointment: "If I have said nothing new tonight, it may well be because, in a family of nations as in families of individuals we should expect nothing more sensational than growth."

2. *Relations with Britain and the Commonwealth*

Acheson's remark about the inter-American family might have been even more suitably applied to the relationship that existed among the United States, Great Britain, and the independent nations of the British Commonwealth. No formal ties were needed to affirm the sense of community that linked the United States to this association of self-governing nations. With the British Commonwealth as such, the United States had no direct relations, and the nature of its relations with individual Commonwealth members varied with the distance and the specific problems of the part of the world in which each was located. In virtually every case, however, they were colored to some degree by an underlying sentiment of political affinity and strategic interdependence.

In relation to the United Kingdom itself this reciprocal sense of solidarity was so long-established and so firmly developed as to have become virtually second nature. The occasional differences between Washington and London—a good number of which have come in for passing reference in the course of this narrative—struck the attention so forcibly just because they were exceptions to the normal rule. On the critical issues of the postwar world there was no essential divergence between the two governments. Anglo-American disagreements had to do with methods, not with objectives or fundamental values. If

[24] Cf., for example, the remarks of Dr. Eduardo Rodríguez Larreta of Uruguay at Columbia University, quoted in *New York Times,* November 12, 1949.

there were residues of ill feeling left by such incidents as the conflict over Palestine, if the British occasionally showed what seemed to Americans an exaggerated national sensitivity concerning their independent world position, these were no more than understandable symptoms of readjustment to an altered power status. In their own way they were as natural and inevitable as was the impatience with which a wearied U.S. Congress reacted to each new request to vote funds for the United Kingdom's assistance.

Insular and Commonwealth considerations were curiously interlinked in Anglo-American relations. Some points of transatlantic friction had exclusive reference to United Kingdom affairs; perhaps the most noteworthy, aside from the competitive relationship of the two economies, was American distaste for the British type of socialism. Such distaste undoubtedly existed in influential U.S. quarters, accentuated by a belief that Labor policies were somehow delaying recovery and prolonging Britain's dependence on outside economic aid. Its effects were mitigated, however, by the comfortable conviction that, however its economy might be organized, Britain's political system was certain to remain democratic. President Truman's Philadelphia speech and the Washington financial conference, by demonstrating that the United States was not "gunning" for the Labor government, helped put a stop to recriminations which had reached a disquieting pitch on both sides of the Atlantic during the summer of 1949.[25]

More numerous causes of disagreement arose in one way or another from the fact that Great Britain, like the United States itself, was a world power and had to balance a multitude of varying obligations in all parts of the earth. In some ways these obligations were even more complex than those of the United States. As Bevin explained to the House of Commons on November 17, the various ministerial conferences he had attended in recent months had covered "the interest of three great sectors of the free world . . . and they are all inter-related. There was the Commonwealth, North America and Europe,

[25] Cf. above, pp. 126-128.

and the problems arising out of each had to be dealt with; and the United Kingdom, not only now but always, will have to reconcile its responsibilities to all three; we cannot isolate ourselves from any of them. In addition, of course, we have our overriding obligations to the United Nations."

The multiplicity of these relationships, and their value as a steadying force in an unstable world, were appreciated in the United States. The difficulty arose when it came to the method by which the British proposed to "reconcile" them—a matter in which the United States took a legitimate interest because the responsibilities of the two powers were complementary and those that Great Britain relinquished had a way of falling straight into this country's lap. British interests and obligations outside of Europe were at the root of most Anglo-American differences concerning both European and world policy, whether the immediate issue concerned an intra-European payments agreement, diplomatic support of Yugoslavia in the United Nations, or the recognition of Communist China.

It was difficult to reduce these disagreements to any clear-cut formula that would explain the divergence between Washington and London concerning Britain's multiple role in the world. Absolute consistency or unanimity was discernible on neither side. The United States was certainly reluctant to shoulder any more of the financial and military burden the British had been carrying in Asia and the Far East, but still tended to stress the European aspects of Britain's position at the expense of its global aspects. The British Government, on the contrary, tended to give preponderant weight to the requirements of the Commonwealth and the sterling area, and would go only so far in the direction of European association as it found fully compatible with this wider relationship.

The record showed that Britain's contribution to all phases of European recovery had been considerable—unprecedented, indeed, in British peacetime history. The United States, however, wished Britain to go further, integrate its economy as fully as possible with that of continental Western Europe, abandon its preference for the sterling area and for bilateral-

ism, make its currency freely convertible, and adapt itself to the exigencies of a free, multilateral trading system—aided by whatever adjustments Washington might be able to make in its own commercial policies. The British Government, obsessed though it was with the need of earning dollars, was skeptical about the elasticity and stability of the dollar market. Despite its professed interest in Western European cooperation, it was still more doubtful of the wisdom of linking Britain's fate irrevocably to that of the Continental countries. Even though charged with excessive insularity, it greatly preferred to cling to the established network of overseas relationships.

These different approaches resulted in a silent, tenacious contest of Anglo-American wills, punctuated by an occasional sharp expression of U.S. disapproval when a unilateral British move in matters of commercial and financial policy affected some recognized American interest. Two such incidents attracted notice in 1949. U.S. officials protested vigorously against certain discriminatory features in a preliminary draft of the five-year bilateral trade agreement concluded by the U.K. with Argentina on June 27. In December a minor explosion—the first of a series—resulted from the British decision to order a drastic cut in dollar oil imports to the U.K. and the sterling area.[26]

A less dramatic but persistent difference concerned the future of the blocked balances held in London by Egypt, India, and other sterling area countries, which were being released largely in the form of "unrequited exports" that earned no foreign exchange. The United States, backed by a considerable section of British financial opinion, held that the balances should be "written down" by negotiation with the sterling area creditors. It was not always recognized, however, that release of sterling balances, as a form of British economic aid to countries that were sorely impoverished,[27] was an important factor in maintaining political stability in Asia and the Far East. Britain's

[26] For the official State Department view in the two cases see *Department of State Bulletin,* XXI, July 11, 1949, 37-38; XXII, January 2, 1950, 30.

[27] In a sense they represented indirect American aid to these areas, since it was American support of the British economy that enabled Britain to maintain the rate of repayment.

accomplishment in this respect was by no means inconsiderable: Bevin set the total of postwar British aid to Asian states in this and other forms at £750 million.[28] Mainly for political reasons, the British Government had made no attempt to secure a major reduction of this indebtedness, but the severe dollar crisis of 1949 made it a practical certainty that, as Sir Stafford Cripps intimated to the House of Commons on October 26, the rate of repayment on the sterling debt would have to be reduced.

In resisting any drastic reorientation of its economic and political relationships Great Britain was sustained by the tacit support of the other Commonwealth countries, which entertained considerable misgivings about any arrangement whereby Europe would supplant them as the object of Britain's primary concern. Since the war great changes had occurred in the Commonwealth itself. Eire relinquished its Commonwealth membership with the inauguration of the Republic of Ireland on April 18, 1949. The rise of India, Pakistan, and Ceylon to dominion status had given the Commonwealth a new "center of gravity" in both a geographic and an ethnic sense. India's decision to become a republic had necessitated a far-reaching psychological readjustment, formalized at the London conference of Commonwealth Prime Ministers in April 1949.[29] Canada, newly enlarged by the accession of Newfoundland, was demonstrating its independence by preparing to sever the few legal ties that still bound it to the government in London. But amid this tremendous process of adaptation, a sense of common political, economic, and strategic interests persisted.

The Commonwealth was certainly not without its centrifugal and divisive tendencies. To the pull of outside interests on individual member states was added the effect of bitter internecine quarrels which would justify a pessimist in predicting a further exodus from Commonwealth membership, if nothing worse. India, Pakistan, and the Union of South Africa all were vehemently at odds: India and Pakistan over Kashmir, over com-

[28] Statement to the press, Colombo, Ceylon, January 16, 1950.

[29] India's republican constitution was adopted November 26, 1949 and went into effect January 26, 1950.

mercial policy, and over a hundred other problems arising from their attempt to form separate states in a country that Nature had intended to be one; India, Pakistan, and South Africa over the latter's frank determination to reduce the numbers and influence of its Indian population.[30] Dissatisfaction with each other and with the support they received from fellow-Commonwealth members predisposed all three governments to question the value and permanence of the Commonwealth connection itself.

In matters where their interests were not directly in conflict, the Commonwealth governments coordinated their policies to a considerable degree through consultation and exchange of views and information. Thus the review of sterling area economic problems by the Commonwealth Finance Ministers in London in July resulted in a series of sharp cuts in dollar imports, parallel to those already announced by the United Kingdom.[31] No such thorough consultation took place before the devaluation of the pound in September. Except for Canada, the Commonwealth governments received less than 48 hours' notice of London's intentions—an omission that caused some discontent and made their promptness in following the British lead all the more striking. Pakistan alone, largely for prestige reasons, elected to retain the value of its currency, thereby putting itself out of step with the rest of the sterling area and adding a new and dangerous facet to its politico-economic war with India.

No general discussion of political issues facing the Commonwealth nations took place during 1949. The omission contributed to the suspense concerning Britain's future relation to Western Europe, and precluded the development of a unified Commonwealth position on the changing Far East situation. That such a position would probably have been unattainable in any case was evident, however, from the obvious diversity of Commonwealth attitudes regarding the Chinese Communists. By the first week in January 1950, four Commonwealth govern-

[30] Cf. above, p. 321.

[31] Australia and New Zealand, in addition, voluntarily renounced a part of their sterling claims against Great Britain, bringing to some £47.5 million the amount they had contributed in this way to easing the British payments position.

ments—those of India, Pakistan, Great Britain, and Ceylon—had for one reason or another determined to recognize the Peking regime. South Africa, Australia, New Zealand, and Canada, on the other hand, continued to await developments, among which the action of the United States would have special importance to the last three.

Equally marked differences of opinion prevailed concerning the French-sponsored Vietnam regime in Indochina. Nehru, in particular, refused to regard the Emperor Bao Dai as anything but a French puppet and a symbol of Western imperialism, whose support could only strengthen the Communist cause in Southeast Asia. Many of these differences on Far Eastern policy were due to be thrashed out at a meeting of Commonwealth Foreign Ministers at Colombo, Ceylon, in January 1950. Southeast Asia and a Japanese peace treaty were the main items on the agenda—testimony in itself that the center of interest in Commonwealth affairs had shifted radically toward the Asiatic continent.

Unsettled conditions in the new Asian dominions, and their anxiety to avoid entanglement in the East-West struggle, were an impediment to the establishment of intimate direct relations with the United States.[32] Similarly, U.S. relations with South Africa could not be particularly cordial in view of American disapproval of South African tactics in the United Nations and the refusal of the U.S. Treasury to raise the price of gold, South Africa's principal export commodity. Australia and New Zealand, with their essentially homogeneous populations and vigorous parliamentary tradition, were in a different category. However much they might dislike the American occupation policy in Japan, both Pacific dominions were aware that their security interests and those of the United States were interdependent. Any future war, it was recognized, would find them cooperating with the United States as intimately as they had done in World War II, whether or not the reciprocal obligations were defined by any formal pact. Political overturns late in the

[32] The salient features of U.S. relations with India and Pakistan are discussed above at pp. 416-418 and 439-441.

year, which led to the establishment of conservative governments in both Wellington and Canberra, in no way diminished the force of this conviction.

A very special intimacy marked the relations of the United States with neighboring Canada, whose economic and security interests for most purposes associated it more closely with this country than with the other nations of the Commonwealth. A long record of collaboration between the two governments, especially in military affairs, testified to their solidarity in matters of world policy and their freedom from any essential conflict of interest. The amicable settlement of a controversy which arose late in 1949, concerning the interpretation of a bilateral civil aviation agreement signed in June, illustrated the way in which an unsentimental but fundamental friendship could absorb the shock of incidental differences.[33]

The similarity of U.S. and Canadian objectives in both North America and Europe was evidenced especially by their joint participation in the North Atlantic pact and their complementary interest in the European Recovery Program, which served as an important means of channeling Canadian exports to Europe in exchange for U.S. dollars. Because each had peculiarly intimate ties with the United Kingdom, there had in addition tended to grow up a special triangular relationship between Washington, London, and Ottawa, which facilitated discussion of common problems and provided an informal meeting point of European, North American, and Commonwealth interests.

The Washington financial conference in September illustrated both the advantages and the drawbacks of this relationship. Its limitation to U.S., British, and Canadian representatives corresponded to economic realities of long standing. The problem of expanding the dollar earnings of the sterling area, with which the conference was mainly concerned, seemed at least partially separable from the dollar problem of the O.E.E.C. countries as a group. The resultant decision to authorize the

[33] Cf. *Department of State Bulletin,* XX, June 12, 1949, 766-767; XXI, December 19, 1949, 949-950; XXII, January 2, 1950, 29; January 9, 1950, 57; *New York Times,* February 21, 1950. For a general survey of postwar Canadian-American relations see *The United States in World Affairs, 1948–1949,* 333-355.

renewed use of ECA dollars to finance British purchases of Canadian wheat was calculated to relieve the straitened dollar position of both Canada and the United Kingdom. Yet the fact that O.E.E.C. representatives were not brought into the conference caused a good deal of misgiving on the European Continent; and the United States was associated with Great Britain in the resentment provoked by the subsequent unilateral devaluation of the British pound, despite the fact that devaluation was declared to have been a spontaneous British decision. Adverse effects on European economic cooperation seemed to be inseparable from the attempt to deal with the British problem on a special basis, and political suspicions were quickly aroused by any procedure that savored of an "Anglo-Saxon bloc."

Anglo-American-Canadian cooperation in the defense field was subject to fewer reservations of this kind, because it fitted readily into the framework of the North Atlantic Treaty and any technical advances achieved were likely to redound to the ultimate advantage of all members of the pact. On December 19 it was disclosed that the three governments, as a result of conversations undertaken in 1947, had joined in arrangements looking toward a gradual standardization in the arms, equipment, and training methods of their defense forces.

Closer standardization was an important objective of the bilateral defense cooperation of the United States and Canada under the Permanent Joint Board on Defense, the Joint Industrialization Mobilization Committee set up in April 1949,[34] and the regional planning group established as a part of the North Atlantic Treaty organization. Progress in this direction, however, was limited by legal and financial as well as technical obstacles. Standardization, in the Canadian view, required some reciprocity between Canada and the United States in the manufacture and procurement of military material. Until the United States undertook to procure for its own forces certain defense items of Canadian manufacture—a practice that was made difficult by existing U.S. law—the Canadians were unwilling to increase their adverse trade balance by spending dollars to

[34] *Department of State Bulletin*, XX, April 24, 1949, 537.

procure needed military items in this country. An arrangement for "reciprocal defense purchasing" seemed to be the next logical step in the process of pooling the two countries' military strength.

Military cooperation among the United States, Canada, and Great Britain had to do only with conventional weapons and did not affect the role of the three governments in the complex field of atomic energy, in which their relations could not be considered entirely satisfactory. The wartime cooperation which had facilitated the development of the atomic bomb no longer was in effect for most purposes, exchange of information on atomic development having been largely discontinued as a result of the stringent security policies written into the U.S. Atomic Energy (McMahon) Act of 1946.[35] The situation caused considerable discontent in Great Britain, which had thoughts of undertaking the manufacture of atomic bombs on its own account and was anxious to revive the wartime relationship.

This was a matter in which military and political considerations had to be weighed against the need for protection of vital U.S. defense secrets, a factor that loomed especially large in congressional thinking, even though it was not yet known that a scientist employed by the British Government had actually been engaged in atomic espionage for the Soviet Union. Quite apart from the matter of security, U.S. military authorities were skeptical about Britain's need to develop its own atomic bomb plants or stockpiles. Continuance of the American monopoly, they felt, was entirely consistent with the principle of national specialization on which the North Atlantic defense organization was founded. There was, however, something to be said for making full use of British and Canadian scientific contributions; and the fact that Britain and Canada controlled the sources of various raw materials used in atomic bomb manufacture made it desirable to pay some heed to their opinions.

Following a series of ultra-secret conferences in Washington during the summer, high-level "exploratory talks" were opened with British and Canadian representatives, on the explicit un-

[35] Public Law 585, 80th Congress, approved August 1, 1946.

derstanding that no new commitments or agreements were involved. Announcement of the "atomic explosion" in the U.S.S.R. gave impetus to these exchanges. Under-Secretary Webb on October 5 described the talks as "looking toward a partnership in the field of atomic energy based upon the most rational and economical joint utilization of materials, techniques, and knowledge available to the three countries." Good progress had been made, he said, and the talks would be continued.[36]

The extraordinary secrecy that surrounded these conferences failed to conceal the fact that the differences, both between and within governments, actually ran a good deal deeper than was publicly admitted. Neither Britain nor the United States seemed disposed to place full reliance on the other in atomic energy matters. Divergent opinions in this narrow but critical area afforded a preview of the type of problem the North Atlantic Treaty organization was likely to encounter throughout its wider field of operation. The underlying issue was one that merited the close attention of all three nations, since it bore equally on the future evolution of the North Atlantic community, the British Commonwealth, and, indeed, the whole free world. That question was whether or not the peril that hung over the free nations was great enough to demand a full sharing of risks and sacrifices in the interests of collective survival.

[36] *Department of State Bulletin,* XXI, August 8, 1949, 185; September 26, 1949, 472; October 3, 1949, 508; October 17, 1949, 589.

CHAPTER FIFTEEN

WHAT'S PAST IS PROLOGUE

THE INTENTIONS of the Soviet Politburo had considerable relevance to any attempt at estimating the survival chances of the free nations, whether in union or in isolation. American policy was based on the premise that war or peace depended, in the last analysis, on the men in the Kremlin. The United States, determined though it was to block the extension of a power in which it perceived a deadly menace to its vital interests, would itself never willingly resort to the final test of arms. It was not deluded by any dream of extirpating the peril by direct assault on the Soviet Union. Its aim, rather, was to strengthen and consolidate the free world, with the threefold objective of (1) frustrating Soviet attempts at expansion by infiltration and indirect aggression, (2) discouraging the Soviet leaders from any thought of expansion by military means, and (3) maximizing the chances of success in case these measures should have the undesired effect of provoking actual hostilities.

That this course of action entailed certain risks was obvious, but to American policy makers the risks seemed justified and, indeed, unavoidable. The Soviet Union, they reasoned, was ruled by men who looked on the extension of their own system not merely as a moral duty but as an inevitable historical necessity. Their conduct in the years from 1944 to 1947 had shown that they would let slip no usable opportunity for advancing their particular form of totalitarianism. If nothing were done to counter their efforts, Europe and the Far East, and ultimately the rest of the world, would be at their mercy. If, on the other hand, they were prevented from expanding by nonviolent means and were made to understand that force would be met with force, there was a good chance that they would refrain from

pushing matters to the danger point. Another war might wreck the citadel of "socialism," the U.S.S.R. itself.

For a time in the early part of 1949 it looked as though this strategy were already bearing fruit. The resolute Western stand in Berlin, followed by the conclusion of the Atlantic pact, brought not war but a seeming mitigation of Soviet pressure. The Berlin blockade was discontinued, and a delusive agreement on a treaty for Austria was recorded. Subsequent events, however, showed the return to the *status quo ante* in Berlin to have been a tactical retreat rather than the forerunner of a new Soviet strategy. The struggle for Germany went on; prospects for an Austrian treaty dimmed; and developments in the Far East showed that the possibilities of indirect Soviet expansion short of armed conflict were still far from exhausted. Meanwhile Soviet development of an atomic weapon threw a new light on the course such a conflict might take should it occur.

Local developments in the course of the year did not decisively affect the over-all stalemate among the great powers. The ending of the Berlin blockade and the liquidation of the civil war in Greece went far to neutralize two conspicuous danger spots; but meanwhile two new ones were added in Yugoslavia and Indochina. In a fifth danger area, Korea, the withdrawal of U.S. and Soviet troops failed to lessen the existing tension. Concurrently, the prospect of East-West agreement on peace settlements for Germany and Japan virtually disappeared. In the United Nations the great powers remained hopelessly deadlocked, as it seemed, on atomic energy control and on most other questions that bore directly on the chances of war or peace. At the end of the year the dispute over Chinese representation in the U.N. threatened to rob the world organization of even the modest function it had hitherto possessed as a point of contact between two hostile camps.

No net change, therefore, was discernible in the direct relations of the great powers, except that the passage of another year had allowed the sense of permanent opposition to sink deeper into the consciousness of both sides. Settlement of East-West differences had not, however, been the primary aim of

either group in 1949. Both sides had already arrived at the conviction that, given the existing balance of forces and the existing state of the adversary's mind, satisfactory settlements were, to say the least, unlikely. Their main concern had been to put themselves in a position to get along without direct agreements —indefinitely, if necessary—and to ensure that any modification of the world balance of forces was in a direction favorable to them. Throughout the year each side had given primary emphasis to strengthening its own world position, and, incidentally, doing what it could to weaken that of the other.

Though the results were inconclusive, it was natural that accredited spokesmen of both East and West should evaluate them optimistically. The satisfaction and self-confidence that sounded through Soviet pronouncements of late 1949 had, however, a disconcertingly genuine ring. "We do not want war and we shall do everything possible to prevent it," G. M. Malenkov told the Moscow Soviet in his anniversary oration of November 6. "Let no one think, however, that we are scared by the sabre-rattling of the warmongers. Not we, but the imperialists and aggressors should be afraid of war. . . . Can there be any doubt that if the imperialists start a third world war it will mean the end not of individual capitalist States but of all the capitalist world."

The Soviet Vice-Premier, who seemed more and more to have become the Politburo's leading spokesman on foreign affairs, betrayed no uncertainty as to where the advantage lay in the current competition. ". . . We can say with confidence that the forces of democracy and Socialism are growing, while the forces of capitalism and of the warmongers are meeting with failure." On one side, he could refer to production successes in the U.S.S.R., the growth of the "international camp of supporters of peace," the frustration of U.S. "atomic diplomacy," the advance of Eastern Europe "along the road of Socialist construction," the foundation of the "German Democratic Republic," and the "victory of the Chinese people"; on the other, to "ever increasing symptoms of an oncoming economic crisis" in the United States, "profound disorder" in the international eco-

nomic relations of the capitalist world, and growing alarm in the camp of the "arrogant warmongers." "The situation in the world is such," Malenkov summed up, "that the affairs of those countries and peoples who are getting along without American so-called aid are going well, and, we are sure, will improve still more as time goes on. The affairs of [the] U.S. and the countries which it is 'aiding' on the other hand, are going from bad to worse." [1]

These opinions were worth more as an index to Soviet thinking than as an expert analysis of world trends. Their principal importance lay in the clear-cut intimation that the Soviet leaders saw no present reason for resort to war. They seemed satisfied that the strength of world Communism and the "contradictions" in the enemy camp were already working irresistibly to ensure the ultimate triumph of "socialism and democracy" throughout the world. In the totality of Soviet world relations, the defection of Yugoslavia was presented as unimportant; the growth of "nationalist deviationism," the numerical losses of foreign Communist parties, and the hypothetical possibility of disagreements with Communist China were not even alluded to. The whole speech—echoed by various other pronouncements on the occasion of Stalin's birthday in December—was a triumphant contrast between the flourishing development and growth in the "camp of socialism" and the impending disintegration of the "camp of capitalism."

A far more hopeful view of conditions in the non-Communist world was that presented by President Truman in his annual report on *United States Participation in the United Nations* for 1949.[2] For him the most significant development of the year had been not the approach of catastrophe, but "the widening appreciation among the great majority of the [U.N.] members that, in view of the attitude of the Soviet Union as evidenced by its propaganda and its action in regard to the rest of the world, only an increase of the moral, economic, and military

[1] *For a Lasting Peace, For a People's Democracy!*, November 11, 1949.
[2] Department of State Publication 3765 (Washington, 1950), 4 (emphasis supplied).

strength of the free world and steadfastness and unity of purpose among the free nations could lead to dependable agreements and to the fulfillment of the principles and purposes of the Charter. Only strength would lead to this basic objective. *And strength was more evident than formerly.* The growing effects of the cooperative programs between the United States and other members—economic gains flowing from the European Recovery Program since 1948, political strength and military capacity promoted by the North Atlantic Treaty and the Military Assistance Act of 1949, and positive steps toward economic development and the strengthening of other parts of the world—all were favorably reflected in the increased firmness of the work of the United Nations during the year."

Like Malenkov, the President emphasized the positive side of the picture and gave little attention to its more problematical aspects. In reality none of the programs he enumerated had yet yielded final results, and there were definite limits to the unity and strength of the free world. Even the nations that formed the core of resistance to Soviet policies—those of the Brussels treaty and the North Atlantic pact—possessed a unity of a very different kind from the rigid conformity prevailing behind the Iron Curtain. Within limits this relative individualism could be considered a part of the strength of the free nations; but there was a constant tendency for national interests to assume dimensions which constituted a threat to common interests. Outside the North Atlantic community were various "sensitive areas"—Trieste, the Arab East, French North Africa, Kashmir, Southeast Asia, the Caribbean—any one of which might flare into violent activity with serious effects on the whole fabric of non-Communist cooperation.

The truth seemed to be that affairs in both worlds, Soviet and non-Soviet, still hung very much in the balance. On each side both positive and negative influences were at work, whose relative force only the future would disclose. Although a large part of the human race had fallen under the influence of Soviet ideas and material power, Communist totalitarian rule by its very nature generated currents of resistance which would continue

to represent a source of embarrassment to the Soviet leaders. The solidarity of the non-Communist nations, on the other hand, was built on voluntary cooperation and free choice—a method which was inherently more acceptable to the peoples concerned, but one which left them free to pursue divergent aims and interfered with the systematic mobilization of their material and moral strength. It remained to be seen which method would prove more efficacious in the long run and would have greater appeal to peoples that were still not firmly committed to either side.

Certain problems of the non-Communist world, it was evident, would retain critical importance for years to come.

One of these was the role of Germany and Japan, whose recovery had become an essential part of the American program for world rehabilitation. The difficulty would lie in finding ways to foster German and Japanese recovery within the framework of a general community of interest, recognized and actively pursued by victors and vanquished alike. Otherwise Germany and Japan would be a constant source of friction among the free nations and—with or without the encouragement of the Soviet Union—a growing threat to the peace that all men hoped to attain.

A second problem concerned the relative emphasis to be given in the future to military and nonmilitary measures for strengthening the free world, bearing in mind both the possible intentions of the Kremlin and the often demonstrated fact—demonstrated most recently in China in 1949—that under normal circumstances few men are willing to fight unless they feel that they have something worth fighting for.

A third and in most ways decisive issue was the future attitude of the United States, which had largely created the existing structure of cooperative relationships and without whose continued participation it would most certainly collapse. What the United States itself did in the coming years would largely determine the economic, political, and military future of the whole world, Soviet and non-Soviet alike.

The scale of the efforts the United States would still be called

upon to make, in its own and the common interest, could not be accurately foreseen; but it clearly would be a good deal larger than had been anticipated in 1947 or 1948. The period during which exceptional sacrifices and forbearance would be demanded of the American people thus seemed likely to be indefinitely prolonged. Of crucial importance, therefore, would be the manner in which Americans responded to the realization that the postwar emergency was, for all practical purposes, a permanent one.

As 1949 drew to a close there were some signs of a relaxation in the public and congressional support which had, by and large, sustained the national foreign policy since the war. Party politics showed a tendency to encroach more actively on the sphere of foreign affairs. The bipartisan spirit had suffered a blow in the unsuccessful senatorial campaign of John Foster Dulles in New York, and another in the serious illness which reduced the activity of Senator Vandenberg. With a new congressional election in the offing, the opposition party high command seemed intent on exploiting foreign policy differences more vigorously than hitherto, with primary emphasis on such emotional issues as the loss of China and alleged Communist influence in American foreign policy.

Of deeper significance than these political manifestations was the possibility that they foreshadowed a mass revulsion among the American public against the exceptional demands of the world crisis. There is a point in any great enterprise at which the magnitude of the effort still to be made tends to obscure the advantage that is being striven for. At such times nothing is easier than to slacken the pace and look for some easier way to attain the same end, or a similar one. The American monopoly of the atomic bomb, while it lasted, had seemed to some to atone for any shortcomings of American policy in other fields. The new and immensely more destructive hydrogen bomb, whose development was ordered by President Truman early in the new year, might encourage a similar rationalization on a grander scale.

In reality nothing could be more delusive than a one-sided

reliance on this still hypothetical but already frightful weapon. Its destructive potentialities—supposing it could be produced at all—dwarfed even the differences between East and West and threatened to outweigh any possible military advantage to the nation which possessed it first. As a political instrument, its utility was equally questionable. Its advent certainly did nothing to increase American popularity in Europe. Nor did the Russians, whom the atomic bomb had not deterred from an aggressive world policy, react to the hydrogen bomb in a way that suggested fright or a readiness for real concessions. As far as one could judge, the Soviet line in early 1950 seemed directed rather toward playing upon Americans' own moral misgivings with a view to extracting concessions from the United States.

The one indisputable effect of the hydrogen bomb was to redouble the desirability of long-term stabilization in the relations of the great powers. American programs for strengthening the fabric of the free world took on more rather than less importance. But equally essential was the continuing effort to maintain flexibility in great-power relations and avoid the development of deadlocks from which war might be the only exit.

Recognition of the immutable hostility of the Kremlin would need more than ever to be tempered by critical understanding and psychological insight. Mere persistence in a correct diplomatic position might not always be sufficient. American diplomacy, not being governed by "scientific" dogma, was capable of showing much greater resourcefulness than that of the U.S.S.R.; if the nature of the problem was correctly gauged, occasions might arise—as in the Berlin negotiations of early 1949—when it would be possible to rescue the Soviet leaders, and with them the entire world, from some of the consequences of their own limited outlook.

Some hope of avoiding an East-West collision might still be found in the Stalinist doctrine of the "peaceful coexistence" of socialism and capitalism. On various occasions the Soviet Premier had intimated that the two systems, though fundamentally antagonistic, could peacefully "coexist" for an unspecified period of time, provided the other party sincerely wished to

"cooperate" with the Soviet Union.[3] Without doubt this thesis was conceived primarily as an instrument of Soviet political warfare; but the continuing emphasis laid upon it also suggested real reluctance to close all doors to peaceful adjustment. In practice, "cooperation" with the U.S.S.R. had usually meant unconditional acceptance of Soviet demands—a course which, for understandable reasons, neither the United States nor any other Western government was disposed to follow. With this important reservation, however, the United States and its allies would retain an obvious interest in showing the Soviet leaders that the two systems *could* peacefully coexist, not for one year or five but for the indefinite future.

No reasonable alternative, in fact, was discernable. Success could not be guaranteed, but the chances of a favorable outcome would be improved if the United States could meanwhile preserve and develop those features of its own system which had helped to give it a position of moral leadership in the world. Maintenance of full production and employment, and of "a respectable posture of defense," was only a part of the answer. As an essential of foreign policy if for no other reason, the United States had an interest in demonstrating the continued superiority of its own methods and of its own essential values as an answer to the deep-seated needs of modern humanity.

There were two ways in which America could lose the cold war. One was by recoiling from the difficulties and sacrifices, and leaving the field to a more determined adversary. The other was by forgetting that American power was not merely a matter of machines and weapons but also one of ideas and emotions. Only so long as the United States was identified with generous championship of human liberty and progress, both at home and abroad, could it compete effectively for the allegiance of the mass of mankind—that mass which by its actions would ultimately decide among the conflicting tendencies of our time.

[3] Cf. especially Stalin's interview with Harold Stassen, reported in *New York Times,* May 4, 1947. This and other Stalin statements on peaceful coexistence were approvingly recalled by Malenkov in a birthday article on "Comrade Stalin —The Leader of Progressive Mankind" in *Pravda,* December 21, 1949 (*Current Digest of the Soviet Press,* I, No. 52, January 24, 1950, 3-4).

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CHRONOLOGY OF WORLD EVENTS

JANUARY 1–DECEMBER 31, 1949

In any such general chronology as this the selection of events must be somewhat arbitrary. An attempt has been made to include the most significant international agreements, statements of policy, changes of government, and general elections. The division is by broad geographic areas, with an initial "United Nations and International" section for developments of more general significance. Particular events wherever possible have been assigned to the foreign area to which they primarily relate: for example, direct U.S relations with the U.S S R. will be found under "Soviet Bloc and Greece," and U.N. action in the Palestine conflict under "Near East and Africa." The reader who desires a more complete and detailed chronology has a choice of several conveniently arranged compilations Mention may be made of the *Chronology of International Events and Documents* (London, Royal Institute of International Affairs, fortnightly); *Current Developments in United States Foreign Policy* (Washington, Brookings Institution, monthly); and the chronologies published in *Current History* (Philadelphia, monthly) and in the *World Almanac and Book of Facts* (New York, New York World-Telegram, annual).

UNITED NATIONS AND INTERNATIONAL

January 1949

United Nations

24–March 25. The *Trusteeship Council* holds its fourth session at Lake Success.

Other Developments

19 *Labor*—British, U S., and Dutch representatives withdraw from the Paris meeting of the World Federation of Trade Unions executive bureau, thus severing relations with the WFTU on the part of their respective affiliates.

30. *U.S.S.R*—Premier Stalin, replying to questions by Kingsbury Smith of the International News Service, offers to meet President Truman to discuss a joint anti-war declaration and hints at a change in Soviet conditions for raising the Berlin blockade.

February 1949

Security Council

10. A Soviet resolution directing the Big Five to disclose complete data on their armed forces, including atomic weapons, is rejected 9 to 2.

21. The Security Council fails to agree on a governor for the Free Territory of Trieste.

Other U.N. Organs

7–March 18. The *Economic and Social Council* holds its eighth session at Lake Success.

16. The *World Health Organization* receives the resignations of the U.S.S.R., Ukraine, and Byelorussia.

Other Developments

3. *U.S.*—President Truman, commenting on Stalin's statement of Jan. 30, says that although he would be glad to see Stalin in Washington the U.S. will not enter into negotiations with the U.S.S.R., bilaterally or jointly with other powers, outside the U.N.

March 1949

Security Council

4. Israel's application for U.N. membership is approved, 9 to 1.

Other U.N. Organs

31. *UNRRA* (U.N. Relief and Rehabilitation Administration) formally comes to an end.

April 1949

Security Council

8. A Soviet veto blocks admission of the Republic of Korea to the U.N.

General Assembly

5. The second part of the Third Regular Session convenes in New York. Among its major actions during April are resolutions urging limitations on the use of the veto in the Security Council (April 14); calling on the U.S.S.R. to permit Soviet wives of foreigners to join their husbands abroad (April 25); approving three proposals from the Interim Committee relating to pacific settlement of disputes (April 28); and approving U.S.-U.K. actions in regard to human rights and freedoms in Bulgaria and Hungary (April 30).

Other U.N. Organs

9. The *International Court of Justice* rules that Albania was responsible for the accidents to British war vessels in the Corfu Channel in Oct. 1946.

11. *International Court of Justice*—An advisory opinion holds that the U.N. possesses certain rights as an "international personality."

11–August 13. *GATT*—Signatories of the General Agreement on Tariffs and Trade hold their third session at Annecy, France.

12–June 9. The *International Law Commission* holds its first session at Lake Success.

May 1949

General Assembly

11. The Arab delegations walk out of the Assembly as Israel becomes the 59th U.N. member by a 37-12 vote. Other actions of the Assembly include approval of a draft Convention on the International Transmission of News and the Right of Correction, subject to later adoption of a Convention on Freedom of Information (May 14); adoption of a resolution calling for a round-table conference on the situation of Indians in South Africa (May 14); and rejection of a resolution revoking the 1946 ban on full diplomatic relations with Franco Spain (May 16).

18. The Assembly adjourns after rejecting an Anglo-Italian proposal for the disposition of the former Italian colonies.

Other U.N. Organs

9–June 20. The *Human Rights Commission* holds its fifth session at Lake Success and completes the draft of an International Covenant on Human Rights.

9–21. The *Economic Commission for Europe* at its fourth session in Geneva establishes a Committee on the Development of Trade and a Committee on Agricultural Problems.

29–June 14. The *Economic Commission for Latin America* holds its second session at Havana.

Other Developments

4. Formal agreement to lift the Berlin blockade and counterblockade and convene the Council of Foreign Ministers is reached in New York by U.N. representatives of the Big Four.

23–June 20. Paris meeting of the Council of Foreign Ministers (see "Germany and Austria").

June 1949

United Nations

2. *Technical assistance*—An $85.9 million two-year program for expanded technical assistance to underdeveloped areas is proposed by the Secretary-General.

7–20. *International Civil Aviation Organization*—The third session of the Assembly is held at Montreal.

8–July 2. *International Labor Organization*—The 32nd General Conference is held at Geneva.

15–July 22. *Trusteeship Council*—The fifth session is held at Lake Success.

28–July 8. *International Refugee Organization*—The General Council in a special session in Geneva plans to terminate operations as soon as possible after June 30, 1950.

Other Developments

19–July 10. *Labor*—The World Federation of Trade Unions holds its second congress in Milan.

July 1949

United Nations

5–August 15. The *Economic and Social Council* holds its ninth session in Geneva.

13. *Trusteeship Council*—South Africa informs the Council that South West Africa will not be brought into the trusteeship system as demanded by the General Assembly.

21. *Trusteeship Council*—The Council adopts a report generally approving U.S. administration of the Pacific Islands trust territory.

29. The *Atomic Energy Commission* votes to suspend its work pending discovery of a basis for agreement among the six permanent members.

Other Developments

13. *Vatican*—A Vatican decree excommunicates all Roman Catholics who persistently follow Communist doctrines, and denies the sacraments to Catholics who read Communist writings or expose themselves to Communist teachings.

August 1949

United Nations

1. The *Commission for Conventional Armaments* approves a French proposal for a census of the armaments and armed forces of all U.N. members.

17–September 6. A *Scientific Conference* on the Conservation and Utilization of Resources is held at Lake Success.

September 1949

Security Council

7. The U.S.S.R. vetoes the admission of the Kingdom of Nepal to U.N. membership. On Sept. 13, Soviet vetoes bar Portugal, Italy, Ireland, Finland, Austria, Jordan, and Ceylon. On Sept. 15 the membership applications of Albania, Bulgaria, Hungary, Rumania, and the Mongolian People's Republic fail to gain Security Council approval.

General Assembly

20. The Fourth Regular Session convenes in New York. Gen. Carlos P. Romulo of the Philippines is elected president.

23. Soviet Foreign Minister A. Y. Vyshinsky castigates alleged aggressive preparations by the U.S. and U.K. and calls for a special peace pact among the Big Five.

Other U.N. Organs

13–16. Joint annual conference of the *International Bank for Reconstruction and Development* and the *International Monetary Fund*, in Washington.

19–October 5. Fourth session of the General Conference of *UNESCO*, in Paris.

Other Developments

18. *Finance*—Devaluation of the pound sterling and other currencies (see area headings).

23. *Atomic energy*—President Truman announces there is evidence that "within recent weeks an atomic explosion occurred in the U.S.S.R." Similar statements are released in the U.K. and Canada. TASS reports Sept. 27 that the U.S.S.R. "possessed the secret of the atomic weapon already in 1947."

October 1949

Security Council

11. The Soviet delegate vetoes approval of the report of the Conventional Armaments Commission.

18. The Big Five agree to attempt to reduce use of the veto by advance consultation on important issues. The U.S.S.R. casts two vetoes (its 40th and 41st) to block approval of the French plan for a census of conventional armaments.

General Assembly

19. Failure of a special conciliation committee to settle the differences between Greece and Albania, Bulgaria, and Yugoslavia is reported by Assembly President Romulo.

20. Yugoslavia, supported by the U.S. but opposed by the U.S.S.R., is elected to the Security Council seat vacated by the Ukraine. Ecuador and India succeed Argentina and Canada.

The Assembly postpones action on freedom of information. On Oct. 21 it votes to extend the Commission on Korea indefinitely, and on Oct. 22 it decides to seek an advisory opinion from the International Court of Justice on the alleged peace treaty violations of Bulgaria, Hungary, and Rumania.

24. President Truman pledges continued support of the U.N. at special ceremonies dedicating the permanent U.N. headquarters site in New York City.

The six permanent members of the Atomic Energy Commission report that private meetings have disclosed no basis for agreement.

Other U.N. Organs

18. *International Refugee Organization*—The General Council, meeting at Geneva, decides to continue the agency six to nine months beyond the proposed closing date of June 30, 1950.

20–29. The *Economic Commission for Asia and the Far East* holds its fifth session at Singapore.

November 1949

United Nations

15. The Chinese Communist regime in a telegram to the U.N. challenges the Nationalists' right to represent China. A more complete text received Nov. 18 demands the Nationalists' ouster.

The Assembly adopts six resolutions relating to the international trusteeship system Other actions during November include unanimous approval of an expanded program of technical aid to underdeveloped countries (Nov. 16); extension of the Special Committee on the Balkans, and imposition of an arms embargo on Albania and Bulgaria (Nov. 18); approval of a resolution on the future of the former Italian colonies (Nov. 21); extension of the Interim Committee for an indefinite period (Nov. 21); establishment of a U.N. Field Service and a Panel of Field Observers (Nov. 22); adoption of a comprehensive resolution on U.N. membership (Nov. 22); and adoption of a resolution on atomic energy control urging the six permanent members of the Atomic Energy Commission to continue their search for agreement (Nov. 23).

23. Vyshinsky tells the Assembly the U.S.S.R. no longer recognizes the right of the Chinese Nationalist regime to represent China in the U.N.

Other U.N. Organs

21–December 6. The *Food and Agriculture Organization* holds its fifth annual meeting in Washington.

December 1949

General Assembly

1. The Assembly approves, 53-5, a U.S.-U.K. resolution on the "Essentials of Peace" and rejects a Soviet resolution condemning "warmongers" and calling for a Big Five peace pact. Other Assembly actions include a decision to set up a U.N. High Commissioner's Office for Refugees to carry on the work left over by IRO (Dec. 2); adoption of 10 resolutions on non-self-governing territories (Dec. 2); a request to the Security Council and the Commission for Conventional Armaments to continue the study of arms regulation and reduction (Dec. 5); rejection of a Soviet proposal to ban atomic weapons and make an unverified census of world armaments (Dec. 5); decision to ask an advisory opinion of the International Court regarding South Africa's legal obligations in

regard to South West Africa (Dec. 6); adoption of two resolutions on China, calling on all states to be guided by U.N. principles in their relations with China, and authorizing the Interim Committee to study and report upon the Nationalist charges against the U.S.S.R. (Dec. 8); decision to set up a United Nations Relief and Works Agency for Palestine Refugees (Dec. 8); and reaffirmation, over the protests of Israel and Jordan, of the 1947 decision in favor of the internationalization of Jerusalem and the Holy Places (Dec. 9).

10. The Assembly adjourns.

Other U.N. Organs

8–20. The *Trusteeship Council* meets in special session at Lake Success to begin drafting a trusteeship agreement for Italian Somaliland and a statute for Jerusalem.

Other Developments

7. *Labor*—A non-Communist International Confederation of Free Trade Unions is formed in London, with the American AFL and CIO both participating.

23. *Vatican*—On the eve of proclaiming the 25th Holy Year, the Pope calls on all Protestant and Orthodox churches to return to that of Rome and urges Christians and Jews to form a united front against militant atheism.

UNITED STATES

January 1949

3. The first session of the 81st Congress convenes with Democratic majorities in both houses.

7. President Truman accepts the resignation of Gen. George C. Marshall as Secretary of State, effective Jan. 20, and appoints former Under-Secretary of State Dean Acheson to succeed him.

20. President Truman's inaugural address lays down a four-point program for future international action, including a "bold new program" for cooperative assistance to economically underdeveloped areas.

February 1949

9. A resolution condemning the proceedings against Cardinal Mindszenty in Hungary (see "Soviet Bloc and Greece") and the trial of Archbishop Stepinac in Yugoslavia in 1946 is passed by the House of Representatives.

21. The Commission on Organization of the Executive Branch of the Government, headed by ex-President Herbert Hoover, submits to Congress a series of recommendations for reorganizing the "foreign affairs area" of the government. Parallel recommendations on the national security organization are submitted Feb. 28.

March 1949

23. Secretary Acheson reaffirms U.S. interest in the security of countries outside the North Atlantic Treaty such as Greece, Turkey, and Iran.

25–27. Participants in a leftist "Cultural and Scientific Conference for World Peace" in New York condemn the Atlantic pact and other aspects of U.S. foreign policy.

28. Louis A. Johnson succeeds James Forrestal as Secretary of Defense.

April 1949

12. Ratification of the North Atlantic Treaty signed April 4 (see "North Atlantic Area and Western Europe") is requested in a presidential message to the Senate.

19. The President approves the Foreign Assistance Act of 1949, including an authorization of $5,430 million for the European Recovery Program up to June 30, 1950.

21. A $1,130 million military assistance program to aid the European members of the North Atlantic Treaty is laid before Congress.

May 1949

18–27. Visit of Brazilian President (see "Western Hemisphere").

26. President Truman approves a bill to reorganize the State Department in line with the Hoover Commission recommendations.

June 1949

6. The Senate Foreign Relations Committee unanimously recommends ratification of the North Atlantic Treaty.

13. The Senate ratifies by voice vote the International Wheat Agreement negotiated by a 52-nation International Wheat Conference that met in Washington Jan. 26–Mar. 23.

24. President Truman recommends specific legislation in a message on the Point Four program of assistance to underdeveloped areas.

July 1949

21. The Senate ratifies the North Atlantic Treaty, 82-13, after a debate which began July 5.

25. President Truman signs the instrument of ratification of the North Atlantic Treaty and in a message to Congress requests legislation authorizing $1,450 million in military aid to North Atlantic countries, Greece, Turkey, Iran, Korea, and the Philippines.

28. The President announces that administration and congressional leaders have been conferring since July 14 on problems of long-range atomic energy collaboration with the U.K. and Canada.

August 1949

8. Visit of Philippine President Quirino (see "Far East").

10. President Truman approves the law establishing a Department of Defense and a chairman of the Joint Chiefs of Staff. Gen. Omar N. Bradley is appointed to the new post Aug. 11.

29. The President, speaking in Philadelphia, restates the guiding principles of U.S. foreign economic policy with emphasis on the elements of mutual cooperation and noninterference.

September 1949

3. The President approves the law extending the Institute of Inter-American Affairs until June 30, 1955.

6–12. Washington financial conference (see "British Commonwealth").

26. The President signs the Trade Agreements Extension Act of 1949 and again urges congressional approval of the proposed International Trade Organization.

October 1949

6. The President approves the $5,809,990,000 Foreign Aid Appropriation Act and the $1,314,010,000 Mutual Defense Assistance Act.

11. Visit of Prime Minister Nehru of India (see "British Commonwealth").

15. The Senate votes to defer action on liberalizing the 1948 Displaced Persons Act until the 1950 session.

18. President Truman authorizes the Atomic Energy Commission to start a "major expansion" of its program.

19. The First Session of the 81st Congress adjourns.

21. Amtorg, Soviet trading corporation, is indicted for violation of the Foreign Agents Registration Act and five of its officers are arrested. Amtorg agrees to register Oct. 26, and the indictments are dismissed Nov. 23.

27. Admiral Louis Denfeld is removed as Chief of Naval Operations following criticism of U.S. defense policies by Naval spokesmen in a special congressional hearing.

29. The President approves the $15,585 million National Military Establishment Appropriation Act, but orders the impounding of $615 million appropriated for a larger Air Force.

November 1949

1. Development by the U.S. of a "super" atomic bomb 1,000 times more powerful than those used against Japan is predicted in a television broadcast by Senator Edwin C. Johnson of Colorado, a member of the Joint Congressional Atomic Energy Committee.

16. Shah Mohammed Reza Pahlevi of Iran begins a six-week visit to the U.S. (See "Near East and Africa," Dec. 30.)

NORTH ATLANTIC AREA AND WESTERN EUROPE

January 1949

5. *O.E.E.C.* publishes an interim report on the progress of the European Recovery Program.

27–28. *Western Union*—Agreement on establishing a Council of Europe is reached by the Western Union Foreign Ministers in London.

29. *North Atlantic Treaty*—The Soviet Foreign Ministry issues a formal statement denouncing the proposed treaty as a reflection of alleged aggressive Anglo-American aims.

Scandinavia—Negotiations at Oslo for a Danish-Norwegian-Swedish defensive pact terminate without result. A Soviet note to *Norway* asks whether that country intends to join the Atlantic pact and whether it will permit establishment of foreign military bases on Norwegian territory.

February 1949

1. *Norway,* in reply to the Soviet note of Jan. 29, says it will sign no treaty granting bases to foreign nations unless Norway is attacked or threatened.

5. *Norway*—A Soviet note warns against joining the North Atlantic alliance and proposes a Soviet-Norwegian nonaggression pact. Foreign Minister Halvard M. Lange prepares to fly to Washington for consultation with U.S. officials.

9. *Sweden* will not depart from its traditional neutrality, according to statements of the Prime Minister and Foreign Minister.

11. *Norway*—Foreign Minister Lange is informed in Washington that Norway cannot expect U.S. military aid unless it joins the Atlantic pact.

12. *Ireland* will not participate in the North Atlantic pact because of its "partition" quarrel with the U.K., External Affairs Minister Seán MacBride announces.

13. *Portugal*—President Antonio Carmona is reelected after the sole opposition candidate withdraws in protest against the election conditions.

17. *O.E.E.C.*—A ministerial "committee of eight" to act as a steering group is set up by the O.E.E.C. Council.

22. *France*—Inaugurating a series of Communist protests against the Atlantic pact, Maurice Thorez declares that French Communists would not resist if France were occupied by the U.S.S.R. Communist leaders in other countries echo his statement in the following days.

March 1949

North Atlantic Treaty

3. *Norway*—The Storting (parliament) decides to approve Norway's participation in the negotiation of the treaty, and rejects the Soviet offer of a non-aggression pact.

11. Norway joins with the U.S., U.K., France, Canada, Belgium, the Netherlands, and Luxembourg in final agreement on the terms of the treaty.

16. The eight sponsoring nations invite Italy, Denmark, Iceland, and Portugal to become original members of the pact, the text of which is made public Mar. 18.

18. *Italy*—Participation in the pact is approved by the Chamber of Deputies. The Senate approves participation Mar. 27.

24–25. *Denmark*—The parliament approves participation following a visit to Washington by the Danish Foreign Minister on Mar. 10-14.

30. *Iceland*—The parliament approves participation following a visit to Washington by the Foreign Minister on Mar. 13-17.

Portugal—A government communiqué announcing Portuguese participation is issued following consultations with the Spanish Government.

Western Union

7. The Permanent Commission invites Denmark, Ireland, Italy, Norway, and Sweden to attend a conference in London on the setting up of a Council of Europe.

14–15. The Consultative Council meets in London, devoting primary attention to matters connected with the Atlantic pact and the collective defense of Western Europe.

Other

13. *Benelux*—Belgium, the Netherlands, and Luxembourg agree to enter into a provisional economic union on July 1, 1949 and full economic union a year later.

26. *France* and *Italy* conclude a treaty providing for establishment of a customs union within one year and full economic union within six years.

27. *France*—Cantonal elections result in a victory for supporters of the coalition government, with setbacks for the Communists and sharp gains for the de Gaullist element.

April 1949

1. *North Atlantic Treaty*—A formal Soviet protest against the Atlantic pact is addressed to the seven negotiating governments, whose Foreign Ministers reply collectively on April 2.

4. *North Atlantic Treaty*—The treaty is signed in Washington by the Foreign Ministers of the U.S., Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, and U.K.

7–8. *Western Union*—The five Defense Ministers, at a meeting at The Hague attended by U.S. and Canadian representatives, approve a plan for Western European defense.

8. *Military aid*—The State Department releases correspondence with the governments of the Brussels Treaty powers and Denmark, Italy, and Norway in which they set forth their need for military assistance and the U.S. Government indicates its intention to ask Congress to authorize a military aid program.

May 1949

5. *Council of Europe*—Belgium, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, and the U.K. sign the Statute of the Council of Europe in London.

16. *Spain*—General Assembly action (see "United Nations").

June 1949

12. *Trieste*—Local elections in the Anglo-U.S. zone of the Free Territory give a 2 to 1 majority to candidates favoring the return of Trieste to Italy.

21. *Benelux*—Postponement of the preliminary economic union scheduled for July 1 is announced by the Netherlands.

26. *Belgium*—National elections give the pro-Leopoldist Social Christian party 105 seats in the Chamber of Deputies, two short of an absolute majority. The Socialists win 66 seats, Liberals 29, and Communists 12 (a loss of 11).

July 1949

5. *O.E.E.C.*—After prolonged discussions in which Sir Stafford Cripps of the U.K. resisted proposals for a multilateral payments system, the O.E.E.C. Council reaches agreement on a modified Intra-European Payments Plan for the ensuing year. The Council also approves a plan for reduction of quantitative restrictions on imports.

19. *Italy*—Violation of the Italian Peace Treaty through Italy's inclusion in the North Atlantic pact is charged in Soviet notes to Italy, the U.S., U.K., and France. All four governments reject the charge.

21. *Italy*—Ratification of the North Atlantic Treaty is approved, 323-160, by the Chamber of Deputies. The Senate votes 175-81 for ratification July 30.

U.S.—Ratification of the North Atlantic Treaty (see "United States").

27. *France*—The National Assembly votes 398-187 for ratification of the North Atlantic Treaty. The Council of the Republic approves ratification July 29 by 248-20.

August 1949

8. *Council of Europe*—The Committee of Ministers, meeting at Strasbourg, recommends that Greece, Turkey, and Iceland be admitted to membership. Greece and Turkey accept immediately.

10–September 9. *Council of Europe*—The Consultative Assembly holds its first session at Strasbourg.

10. *Belgium*—A coalition cabinet is formed under Gaston Eyskens (Christian Social party); Paul Van Zeeland is Minister of Foreign Affairs.

24. *North Atlantic Treaty*—President Truman proclaims the treaty in effect following the deposit of ratifications by all signatory governments.

September 1949

1. *O.E.E.C.*—A tentative allocation of 1949–50 dollar aid, agreed upon by the O.E.E.C. Council, is made public by ECA Administrator Paul G. Hoffman.

9. *Council of Europe*—The Consultative Assembly adjourns after naming a standing committee to act for it between sessions. Among its achievements are resolutions on economic unity (Sept. 5), on creation of a European political authority (Sept. 6), and on human rights (Sept. 9).

13–17. *Western Foreign Ministers*—Secretary Acheson holds a series of informal political talks with the U.K. and French Foreign Ministers in Washington.

17. *North Atlantic Treaty*—The Council of the 12 North Atlantic Foreign Ministers meets in Washington and agrees on the establishment of executive machinery.

18. *Finance*—The U.K. devalues the pound sterling from $4.03 to $2.80. Within 10 days Austria, Belgium, Denmark, France, Western Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, and Sweden devalue or modify their exchange rate systems, as does Spain in October.

October 1949

5–6. *North Atlantic Treaty*—The Defense Committee and Military Committee hold their initial meetings in Washington.

5. The *Benelux* nations initial a draft agreement to effect preliminary economic union retroactively as of Oct. 1, with the object of achieving full economic union by July 1, 1950.

France—The cabinet of Premier Henri Queuille resigns in a controversy over pressure for wage increases. Unsuccessful efforts to form a cabinet are made by Jules Moch (Socialist, Oct. 17) and René Mayer (Radical, Oct. 22).

10. *Norway*—The Communists lose all of their 11 seats in the Storting in national elections which increase Labor's representation from 76 to 85. The Conservatives win 23 seats, Liberals 21, Agrarians 12, and Christian People's party 9.

23. *Iceland*—Parliamentary elections result in slight losses for the Social Democrats and Communists.

28. *France*—Georges Bidault (Popular Republican) succeeds in forming a coalition cabinet and wins Assembly approval for his program. Robert Schuman remains as Foreign Minister.

31. *O.E.E.C.*—ECA Administrator Hoffman, addressing the O.E.E.C. Council in Paris, calls on the Marshall Plan nations to present a "realistic plan" of economic integration by early 1950.

Italy—The right-wing Socialist ministers withdraw from the cabinet.

November 1949

2. *O.E.E.C.*—The O E.E.C. Council adopts a resolution proposing various steps in the direction of economic integration.

3. *Military aid*—Opening of negotiations for bilateral mutual defense assistance agreements with eight North Atlantic Treaty countries is announced by the U.S. State Department.

3–9. *Council of Europe*—Paris meetings of the Committee of Ministers (Nov. 3–5) and the standing committee of the Consultative Assembly (Nov. 7–9).

6. *Belgium*—The Socialist party votes to oppose the return of the exiled King Leopold III, who stated Oct. 18 that he would abdicate if less than 55 percent of the electorate voted for his return in an advisory plebiscite. The Liberal party goes on record against Leopold's return Nov. 17.

7. *Western Union*—The Consultative Council meets in Paris and signs multilateral conventions on social security and medical assistance.

13. *Portugal*—The official National Union party wins all 120 seats in elections to the National Assembly.

18. *North Atlantic Treaty*—The Council of the North Atlantic countries, meeting in Washington, creates a Defense Financial and Economic Committee.

December 1949

1. *North Atlantic Treaty*—The Defense Committee, meeting in Paris, announces unanimous agreement on a "strategic concept," an arms production program, and coordinated defense planning.

16. *Council of Europe*—Proposals for expanding and freeing European trade are unanimously adopted by the Economic Committee in Paris. The General Affairs Committee of the Assembly meets in Strasbourg Dec. 19-21 to consider problems of European political organization.

27. *Netherlands*—Transfer of sovereignty in Indonesia (see "Far East").

30. *France*—Transfer of sovereignty in Indochina (see "Far East").

GERMANY AND AUSTRIA

January 1949

Germany

3. The U.S., U.K., and France in notes to the U.S.S.R. state that all German prisoners of war held by them have been repatriated and ask if the U.S.S.R. has also fulfilled its repatriation obligations. The Soviet reply of Jan. 28 states that repatriation will be completed during 1949.

17. The three Western Military Governors announce the establishment of a Military Security Board to keep watch over German disarmament and demilitarization.

February 1949

Germany

13. The East-zone People's Council declares a "national state of distress" in protest against Western Allied occupation policies.

16. Withdrawal of the Soviet repatriation mission in Frankfort by Mar. 1 is requested by Gen. Lucius D. Clay, U.S. Military Governor. A Soviet protest of Feb. 24 accuses the U.S. of holding large numbers of Soviet citizens who wish to return home.

Austria

9. Deputies of the Big Four Foreign Ministers in London resume negotiations for an Austrian treaty, remaining in session until May 10.

March 1949

Germany

3. The Soviet repatriation mission leaves Frankfort after strong local pressure is applied by the U.S. military.

16. Failure to work out a solution of the Berlin currency dispute is acknowledged by the U.N. Security Council's neutral committee of experts.

19. The People's Council of Eastern Germany approves a draft constitution for a "democratic republic" of all Germany and orders all-German elections for a "People's Congress."

20. The three Western Military Governors declare the Western mark the sole legal tender in the Western sectors of Berlin.

26. Approval of 31 minor rectifications of the West German frontier is announced by the U.S., U.K., French, and Benelux governments. Most of the changes are carried out April 23, after a Soviet protest is filed April 5.

April 1949

Germany

8. The U.S., U.K., and French Foreign Ministers agree in Washington on an Occupation Statute and tripartite control machinery for Western Germany and confirm and approve recent agreements on dismantling, prohibited and restricted industries, and establishment of an International Authority for the Ruhr.

14. The Nuremberg war crimes trials conclude as a U.S. court sentences 19 Nazi ex-Ministers and government officials.

25. The draft constitution of the future German Federal Republic is signed at Bonn by West German political leaders and Allied representatives.

28. The agreement establishing the International Authority for the Ruhr is signed in London by representatives of the U.S., U.K., France, and the Benelux countries.

Austria

8. In an effort to speed negotiation of the Austrian treaty the U.S., U.K., and France renounce all claims to reparations from German assets in Austria.

May 1949

Germany

4. New York agreement (see "United Nations and International").

8. The Basic Law of the German Federal Republic is adopted by the Parliamentary Council at Bonn by 53 votes to 12. The three Western Military Governors approve the Basic Law, with certain exceptions, on May 12. All states except Bavaria ratify by May 23, and the Basic Law is officially proclaimed June 15.

12. The Berlin blockade and counterblockade are formally lifted.

15–16. Elections for the "People's Congress" in Eastern Germany produce an announced vote of 2 to 1 in favor of the single Communist-supported list of candidates.

21. Following renewed Soviet interference with Berlin truck traffic, Berlin's railroad communications with the West are paralyzed by a strike of transportation workers which is not settled until June 28.

30. The People's Congress in the Soviet zone adopts the constitution approved Mar. 19.

Council of Foreign Ministers

23–June 20. The Big Four Foreign Ministers meet in Paris (see below, June 20).

June 1949

Germany

20. The Charter of the tripartite Allied High Commission is signed in Paris and released June 29.

21. The Berlin City Assembly demands that the Western sectors be admitted to the new West German state.

Council of Foreign Ministers

20. The Council ends its sixth session by announcing agreement on (1) confirmation of the New York agreement of May 4, (2) steps to mitigate the division of Germany and Berlin, (3) drafting of an Austrian treaty by Sept. 1, and (4) arrangements to schedule a further meeting on Germany.

July 1949

1–September 1. *Austria*—Deputies of the Big Four Foreign Ministers resume negotiations in London but fail to agree on a draft treaty by the Sept. 1 deadline.

8. *Germany*—New Soviet restrictions are imposed on truck traffic between Berlin and the Western zones; normal communications are not fully restored until the end of July.

August 1949

Germany

14. Elections to the Bundestag (lower house) of the West German parliamentary assembly give 139 seats out of 402 to the Christian Democratic Union and Christian Social Union. The Social Democrats win 131 seats, Free Democrats 52, Bavarian party 17, German party 17, and Communists 15.

September 1949

Germany

7. The Parliament of the new Federal Republic holds its opening session. The Bundestag calls on the Western powers to reexamine their policy on dismantling German industrial capacity for reparations.

12. Theodor Heuss (Free Democratic party) is elected President of the Federal Republic by a special assembly.

15. Dr. Konrad Adenauer (Christian Democratic Union) is elected Chancellor of the Federal Republic by a one-vote margin in the Bundestag.

21. Civil government formally begins in Western Germany with promulgation of the Occupation Statute and establishment of the Allied High Commission.

28. The Western commandants in Berlin break off the talks ordered in June by the Council of Foreign Ministers, charging Russian failure to carry out agreements.

30. The 277,264th flight of the Berlin airlift ends the operation that began June 26, 1948.

Austria

23–December 14. The Big Four deputies continue negotiations in New York.

October 1949

Germany

2. The U.S.S.R. in notes to the U.S., U.K., and France protests against the creation of the West German state.

7. A "German Democratic Republic" is established in Eastern Germany as the Soviet-sponsored People's Council transforms itself into a People's Chamber and proclaims the Mar. 19 constitution in force. Otto Grotewohl and Wilhelm Pieck (Socialist Unity party) became Minister-President and President, respectively.

8. A nine-month trade agreement is signed by East and West German representatives in Berlin.

10. The Soviet Military Governor announces that a Soviet Control Commission will replace the existing Soviet Military Administration.

14. Soviet Premier Stalin in a letter to Pieck and Grotewohl terms the creation of the East German regime a "turning point in the history of Europe."

Austria

9. National elections give 77 parliamentary seats to the People's (Catholic) party, 67 to the Socialists, 16 to the Nazi-tinged League of Independents, and 5 to the Communists.

November 1949

Germany

3–9. West German associate membership in the Council of Europe is approved in principle by the Committee of Ministers and the standing committee of the Consultative Assembly, meeting in Paris.

9–11. The Foreign Ministers of the U.S., U.K., and France, meeting in Paris, agree on admission of the German Federal Republic to the Council of Europe and on modifications of dismantling and other Western Allied policies toward Germany.

22. A protocol of agreement (Petersberg agreement) between the Western High Commissioners and the Bonn government provides for a revision of the dismantling program and removal of a number of other curbs on Western Germany in consideration of the Federal Government's promise of cooperation in matters affecting Allied security.

December 1949

Germany

4–9. Chancellor Adenauer raises the question of German rearmament in a series of public statements.

15. A bilateral ECA agreement signed at Bonn makes Western Germany a full partner in the Marshall Plan.

16. Proposals for German rearmament are deprecated at a meeting of the West German Bundestag.

19. Chancellor Adenauer's government formally assumes the obligations of membership in the International Ruhr Authority.

Austria

14. Treaty negotiations by the Big Four deputies are recessed, to resume in London Jan. 9, 1950.

SOVIET BLOC AND GREECE

January 1949

14. *Poland*—A five-year trade and financial agreement with the U.K. provides for an exchange of goods totaling about £260 million.

20. *Greece*—Prime Minister Themistocles Sophoulis forms a new coalition government to replace his cabinet which resigned Jan. 15.

25. Formation of a *Council for Mutual Economic Assistance* by the U.S.S.R., Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania is announced by TASS.

26. *Poland-Rumania*—A treaty of friendship, cooperation, and mutual assistance is signed in Bucharest.

February 1949

1. *Yugoslavia* in a note to the Slav bloc governments expresses "astonishment" at its exclusion from the Council for Mutual Economic Assistance. A Soviet reply of Feb. 11 blames the "hostile attitude" of the Yugoslav Government.

4. *Greece*—The Communist party announces it has relieved "Gen." Markos Vafiades, the guerrilla leader, because of ill health.

8. *Hungary*—Jozsef Cardinal Mindszenty, arrested in December and brought to trial Feb. 3 on charges of treason, espionage, and black market dealings, is found guilty and sentenced to life imprisonment. Climaxing many protests abroad (cf. "United States"), the Vatican on Feb. 12 excommunicates all persons involved in the prosecution and sentencing of the Cardinal.

12. *Hungary* demands the recall of U.S. Minister Selden S. Chapin following charges at the Mindszenty trial that he had been improperly involved with the alleged conspirators. The U.S. rejects the charges but recalls Chapin for consultation.

25. *Bulgaria*—Fifteen Protestant pastors are brought to trial on charges of treason and espionage on behalf of the U.S. and U.K.

March 1949

4. *U.S.S.R.*—Appointment of A. Y. Vyshinsky to replace V. M. Molotov as Soviet Foreign Minister inaugurates a series of changes in the Soviet Government.

8. *Bulgaria*—After suspicious "confessions" the 15 Protestant ministers brought to trial in February are found guilty of treason and espionage.

16. *Bulgaria, Hungary,* and *Rumania* are accused by the U.S. and U.K. governments of flagrant violation of their peace treaty obligations.

April 1949

2. *Bulgaria, Hungary* and *Rumania* are formally charged by the U.S. and U.K. with violating the human rights provisions of the peace treaties.

5. *Bulgaria*—Elimination of Communist Vice-Premier Traicho Kostov from the government because of "nationalist deviations" is announced by the Communist party.

Greece—The guerrilla radio announces formation of a new rebel "government" headed by D. Partsalides.

9. *Yugoslavia*—Marshal Tito, speaking to the third People's Front Congress, declares that the Cominform's hostility compels Yugoslavia to trade with Western countries.

14. *Bulgaria*—Vassil Kolarov becomes acting Premier in the absence of Premier Georgi Dimitrov in the U.S.S.R. for medical treatment.

Greece—A new coalition government is sworn in under Prime Minister Sophoulis, the previous cabinet having resigned April 12 over a currency scandal.

16. *Hungary-Czechoslovakia*—A treaty of friendship, cooperation, and mutual assistance is signed in Budapest.

May 1949

4. *Bulgaria, Hungary, Rumania*—Secretary Acheson announces that unsatisfactory replies have been received to the U.S.-U.K. notes of April 2.

Greece—The "minister of justice" in the insurgent regime offers to proceed from Czechoslovakia to U.N. headquarters for negotiations with Greek Government representatives.

15. *Hungary*—Parliamentary elections result in complete victory for the single slate of Communist-supported People's Front candidates.

19–20. *Greece*—Rejection by the U.S. and U.K. of an informal Soviet proposal for ending the Greek civil war is disclosed in releases by the TASS agency and the State Department.

25–29. *Czechoslovakia*—The ninth congress of the Communist party is attended by delegates from 55 countries, including Soviet Vice-Premier G. M. Malenkov.

31. *Bulgaria, Hungary, Rumania*—The U.S. and U.K. request the cooperation of the U.S.S.R. in consultations on the alleged peace treaty violations. Negative Soviet replies are received June 11.

June 1949

10. *Albania*—Koci Xoxe, former Communist Vice-Premier, and three other ex-ministers are found guilty of treasonable conspiracy with Yugoslavia. Xoxe is executed June 11.

Hungary—Communist Foreign Minister Laszlo Rajk is dropped in a reorganization of the government. His arrest on espionage charges becomes known June 18.

16. *Czechoslovakia*—Church-state tension reaches a climax as the archiepiscopal palace in Prague is placed under guard. Communist militants prevent the Archbishop from speaking in the Prague cathedral on June 19. The Vatican on June 20 excommunicates President Klement Gottwald and all others connected with the government-supported "Catholic Action" movement.

21. *Yugoslavia* protests against the Council of Foreign Ministers' decisions on Austria.

25. *Bulgaria*—Former Deputy Premier Kostov, after expulsion from the Communist party and the National Assembly, is arrested and charged with economic sabotage.

30. *Greece*—Alexander Diomedes (Liberal) forms a coalition government to succeed that of Premier Sophoulis, who died June 24.

July 1949

2. *Bulgaria*—Premier Dimitrov dies in Russia; Acting Premier Kolarov formally succeeds him July 20.

Trieste—Yugoslavia announces introduction of the Yugoslav currency in the Yugoslav zone of the Free Territory in response to alleged peace treaty violations in the Anglo-American zone.

5. *U.S.S.R.*—Adm. Alan G. Kirk presents his credentials as U.S. Ambassador, replacing Gen. W. B. Smith.

10. *Yugoslavia*—Tito in a speech at Pola notes the increasingly hostile attitude of the Cominform states and announces the closing of the Yugoslav-Greek frontier.

August 1949

1. *Bulgaria, Hungary,* and *Rumania* are formally requested by the U.S. and U.K. to join in appointing commissions to consider their alleged violations of the human rights provisions of the peace treaties.

2. *Greece*—The U.N. Special Committee on the Balkans reports that Yugoslav assistance to the guerrillas has declined, but that aid from Bulgaria and particularly Albania continues.

7. *Hungary*—The government proclaims the establishment of a "People's

Republic" and makes public the text of a new constitution on the Soviet model. The National Assembly names Arpad Szakasits head of the Presidium Aug. 23.

15. *U.S.S.R.*—U.S. Ambassador Kirk confers with Premier Stalin. Among subjects discussed are Soviet jamming of the Voice of America broadcasts (which began April 24) and settlement of the U.S.S.R.'s wartime lend-lease account.

17. *Yugoslavia*—Authorization to purchase a $3 million steel finishing mill in the U.S. is announced in Washington.

September 1949

8. *Finland*—Premier K. A. Fagerholm announces the defeat of a Communist strike offensive allegedly aimed at taking over the government.

Yugoslavia—The U.S. Export-Import Bank approves a $20 million loan to Yugoslavia for industrial rehabilitation purposes.

10. *Hungary*—Alleged plotting with the U.S. and Yugoslavia features the indictment against former Foreign Minister Laszlo Rajk and associates. At his treason trial in Budapest, Rajk on Sept. 16 "confesses" plotting with former U.S. Minister Selden Chapin to overthrow the Hungarian regime as part of a Titoist and anti-Soviet crusade.

14. *Bulgaria, Hungary, Rumania*—Receipt of negative replies to the U.S.-U.K. notes of Aug. 1 is disclosed by the U.S. State Department.

16. *Greece*—The U.N. Special Committee on the Balkans reports that guerrilla warfare along the northern frontiers has virtually ceased.

24. *Hungary*—Rajk and two of his seven codefendants are sentenced to death. Rajk is hanged Oct. 15.

27. The *U.S.S.R.* agrees, after negotiations lasting since April 1947, to return to the U.S. 30 vessels obtained under wartime Lend-Lease.

28. *Czechoslovakia-U.K.*—A five-year trade and financial agreement is signed in London.

Yugoslavia—The U.S.S.R. denounces its friendship and mutual assistance treaty with Yugoslavia. Hungary and Poland follow suit Sept. 30, Bulgaria and Rumania Oct. 1, and Czechoslovakia Oct. 4.

October 1949 *

14. *Czechoslovakia*—The National Assembly unanimously passes two laws making all churches administratively and financially dependent on the state. On Oct. 25 Czechoslovakia's Catholic bishops authorize priests to take, with reservations, the required oath of loyalty to the government.

16. *Greece*—The rebel radio announces that the "Democratic Army" has temporarily ceased operations in view of the defeats resulting from Tito's "treachery" and U.S. aid to the "monarcho-fascist" Greek Government.

27. *Czechoslovakia* expels the French Military Attaché and his secretary, accusing them of trying to steal uranium secrets.

31. *Czechoslovakia*—Following arrests and expulsions of U.S. Embassy personnel, the U.S. asks Czechoslovakia to recall its Consul-General in New York and the "housekeeper" of its Embassy in Washington.

November 1949

3. *Yugoslavia*—U.S. export controls are relaxed to enable Yugoslavia to acquire aviation gasoline and lubricants.

6. *U.S.S.R.*—The anniversary of the 1917 October Revolution is celebrated throughout the Soviet bloc. Malenkov in the main address accuses American

* For U.N. developments see "United Nations and International."

"imperialists" of trying to convert the world into a U.S. colony and says that a third world war would be the grave of capitalism.

7. *Poland*—Soviet Marshal Konstantin Rokossovsky is appointed Polish Minister of Defense and Marshal of the Polish Armies.

11. *Danube*—A commission to control the Danube is set up by six Eastern European governments meeting at Galaţi, Rumania. The U.S., U.K., and France file protests Nov. 15.

12. *Yugoslavia* denounces its treaty of friendship and mutual assistance with Albania.

18. *Greece*—General Assembly resolution (see "United Nations and International").

Hungary—The political police arrest Robert A. Vogeler, U.S. representative of the International Telephone and Telegraph Co. Together with a British national and Hungarian associates, he is brought to trial and sentenced on espionage charges in Feb. 1950.

20. *Poland*—Polish authorities arrest a French consular agent on espionage charges, touching off a major crisis in Polish-French relations.

29. The *Cominform*, publicizing a decision taken at a secret meeting in Hungary, calls for the overthrow of the Yugoslav Government and appeals for organization of Europe's workers in a campaign against Western "imperialism."

30. *Bulgaria*—Traicho Kostov and 10 others arrested in June are indicted on charges of treason and espionage.

December 1949

General

21. Stalin's 70th birthday is celebrated by the Communist world. Malenkov recalls Stalin's declaration that capitalism and socialism can peacefully coexist.

Bulgaria

7. Traicho Kostov on the first day of his trial repudiates his alleged "confession" of treason and espionage.

14. Kostov and associates are found guilty. Kostov is sentenced to death and executed Dec. 16.

18. National elections produce an announced vote of 97.66 percent in favor of the unopposed government ticket.

20. After repeated representations by the U.S., the Bulgarian press prints a statement by former U.S. Minister Donald Heath denying charges of implication in the Kostov "conspiracy."

Hungary

17. Israel Jacobson, an American, is arrested in Budapest but released Dec. 27 without explanation.

20. In a note protesting the arrest and detention of Robert A. Vogeler, the U.S. announces it is prohibiting travel of American private citizens to Hungary.

23. The U.K. suspends negotiations for renewal of the expiring Anglo-Hungarian trade agreement.

29. Hungary decrees the nationalization of large-scale trade and industry, including foreign-owned firms.

Yugoslavia

22. U.S. opposition to aggression against Yugoslavia is emphasized in Washington in statements by Ambassador-designate George V. Allen and President Truman.

24. The U.S. and Yugoslavia sign a provisional civil air transport agreement.
26. Yugoslavia and the U.K. conclude a five-year $616 million trade accord.
27. Vice-Premier Edvard Kardelj informs the Belgrade Parliament that the International Bank has approved in principle a loan of $25 million to Yugoslavia. Bank spokesmen state on Dec. 28 that no decision has been made.

NEAR EAST AND AFRICA

January 1949

Palestine

6. Israel and Egypt announce agreement on a cease-fire as a preliminary to armistice negotiations, which are opened Jan. 13 at Rhodes under U N. auspices.
8. The U K. announces that Israeli planes have shot down five British reconnaissance aircraft over Egyptian territory, and that British troops have been sent to Aqaba on the Red Sea at the request of the Transjordan Government
19. The U.S. Export-Import Bank authorizes an immediate $35 million credit to Israel and earmarks another $65 million to be available through 1949.
25. National elections in Israel result in a victory for Premier David Ben-Gurion's Mapai (Socialist Labor party), which wins 44 seats in an assembly of 120.
29. Israel is granted de facto recognition by the U K, Australia, New Zealand, and the Benelux governments (French de facto recognition was extended Jan. 24).
31. Israel and Jordan are granted de jure recognition by the U.S

Other

6. *Iraq*—A new government is formed by Gen. Nuri Pasha following the resignation of former Premier Muzahim Amin el-Pachachi.

February 1949

5. *Iran*—The left-wing Tudeh party is dissolved following an attempt on the Shah's life the day before
17. *Israel*—Dr. Chaim Weizmann is elected President by the new Constituent Assembly.
24. *Palestine*—Israel and Egypt sign an armistice agreement at Rhodes.

March 1949

Palestine

20. Jordan formally requests British military aid following Israeli advances in the southern Negeb near the head of the Red Sea.
23. Israel and Lebanon sign an armistice agreement. Israel protests to the Security Council against the arrival of more British troops in the Aqaba region.

Other

30. *Syria*—The government headed by President Shukri al-Quwwatly is overthrown in a bloodless coup d'état led by the Chief of Staff, Col Husni Za'im.

April 1949

Palestine

3. Israel and Jordan (Transjordan) sign an armistice at Rhodes.
15. A papal encyclical calls for international administration of Jerusalem and the Holy Places.

27–June 25—The U.N. Palestine Conciliation Commission begins conversations with Israeli and Arab representatives at Lausanne.

Other

16. *Syria*—Husni Za'im, after dissolving Parliament April 2, forms a new cabinet in which he is Prime Minister and Minister of Defense and Interior.

May 1949

9. *Iran*—A constitutional revision permitting the Shah and his cabinet to dissolve the Majlis (parliament) is completed by a special constituent assembly.

10. *Iran*—A seven-year economic development plan to be directed by American technicians is announced.

19. *Egypt*—An Anglo-Egyptian agreement for hydroelectric and flood control works on the Nile is announced by U.K. Foreign Secretary Ernest Bevin.

June 1949

1. *Libya*—The U.K. announces formation of an independent government in British-occupied Cyrenaica, headed by the Emir Sayid Idris al-Senussi.

12. *Afghanistan-Pakistan*—Alleged bombing of Afghan territory by a Pakistani airplane heightens the tension in the two countries' territorial dispute.

15. *Israel*—Foreign Minister Moshe Sharett says Israel will not yield to U.S. or other pressure to make concessions to the Arab states.

23. *Iran-Iraq*—Conclusion of a mutual aid agreement and trade and cultural treaties is announced.

Syria—Husni Za'im is elected President without opposition.

July 1949

18–September 15. *Palestine*—Sessions of the U.N. Palestine Conciliation Commission are resumed in Lausanne.

20. *Palestine*—Israel and Syria sign an armistice accord, officially ending all hostilities in Palestine.

26. *Egypt*—Hussein Sirry Pasha (independent) forms a cabinet to replace that of Ibrahim Abdel Hadi Pasha (Saadist party), who resigned July 25.

August 1949

7. *Iran-Jordan*—The two governments announce agreement on a treaty of friendship and collaboration (signed Nov. 16).

14. *Syria*—President Husni Za'im and Premier Mohsen el Barazi are executed in a coup d'état led by Col. Sami Hinnawi. A civilian cabinet under Hashem al-Atassi Pasha takes office Aug. 15.

September 1949

13. *Palestine*—The U.N. Conciliation Commission proposes a draft statute giving the U.N. "full and permanent" authority in Jerusalem. The Commission's Lausanne sessions are adjourned Sept. 17, to resume in New York Oct. 22.

18. *Finance*—Within 10 days of Britain's devaluation, Egypt, Iran, Iraq, Israel, Lebanon, and Syria devalue or otherwise modify their exchange rates.

October 1949

1. *Lebanon*—A new cabinet takes office under Riyad al-Sulh.

15–30. *Arab League*—The Arab League Council meets in Cairo, decides to draft an Arab security pact, and establishes a permanent committee on Palestine.

November 1949

3. *Egypt*—A new cabinet is formed by Hussein Sirry Pasha.

6. *Palestine*—A $53 million relief and works program for Palestine refugees is recommended by the U.N. Economic Survey Mission for the Middle East, set up in August by the Palestine Conciliation Commission.

7. *Iraq*—Prime Minister Nuri Pasha resigns. A new cabinet under Ali Jawdat al-Ayubi takes office Dec. 10.

15–16. *Syria*—Elections for a constituent assembly are held without incident and result in moderate victory for the Populist party.

16. *Iran*—The Shah arrives in the U.S. for an official visit.

21. *Former Italian Colonies*—General Assembly resolution (see "United Nations and International").

December 1949

8–9. *Palestine*—General Assembly resolutions (see "United Nations and International").

14. *Israel*—The Prime Ministry is transferred to Jerusalem in accordance with a decision of the Knesset (parliament) on Dec. 13. All government departments except the Foreign Ministry are scheduled to begin functioning in Jerusalem as of Jan. 1, 1950.

Syria—The constituent assembly elects Hashem al-Atassi as President and adopts a new constitution.

19. *Syria*—Army Commander Sami Hinnawi is arrested by his troops in a move to prevent a possible Syrian-Iraqi union under the Iraqi crown.

26. *Israel*—The Knesset convenes in Jerusalem despite adverse opinions expressed in the U N. Trusteeship Council.

27. *Syria*—Hashem al-Atassi withdraws his resignation tendered the day before and names Khaled el-Azem as Premier; the latter forms a cabinet acceptable to the dominant army group Dec 28.

30. *Iran*—Concluding his six-week visit to the U.S., the Shah joins President Truman in a joint statement of U.S.-Iranian solidarity.

FAR EAST

January 1949

General

20–23. *Asian Conference*—Representatives of 19 "Asian" countries, meeting at New Delhi in response to the invitation of Indian Prime Minister Jawaharlal Nehru, ask the U.N. Security Council to order Indonesian independence by the end of 1949.

China

14. Communist leader Mao Tse-tung broadcasts eight conditions for peace in China, including abrogation of "treacherous" treaties, trial of "war criminals," and elimination of "reactionaries."

15. Communist forces occupy Tientsin.

21. Gen. Chiang Kai-shek hands over the acting presidency to Vice-President Li Tsung-jen, who next day appoints delegates to open negotiations with the Communists.

22. Nationalist forces evacuate besieged Peiping under a local armistice agreement with the Communists.

Japan-Korea

1. *Korea*—The U.S. grants full diplomatic recognition to the Korean Republic.

23. *Japan*—National elections reveal a strong conservative trend. The Democratic Liberal party doubles its Diet representation by capturing 264 seats out of 467. The Democratic party wins 68 seats, the Socialists 49, and the Communists 31.

Southeast Asia

11. *Indonesia*—The U.N. Security Council hears strong U.S. condemnation of the Dutch "police action" which began Dec. 18, 1948.

20. *Burma*—Prime Minister Thakin Nu's government resigns to enable him to form a smaller cabinet to cope with the "worsening situation" brought on by the Karen and Communist rebellion.

28. *Indonesia*—The Security Council calls for immediate cessation of military operations, release of political prisoners, establishment of an interim federal government by March 15, and a transfer of sovereignty to the United States of Indonesia not later than July 1, 1950.

February 1949

China

6. Prime Minister Sun Fo says the government will continue the war rather than yield to the Communist demand to hand over Nationalist leaders as "war criminals."

Japan-Korea

11. *Japan*—An anti-Communist coalition in the Diet reelects Shigeru Yoshida as Premier.

14. *Japan*—Reports that the U.S. would withdraw from Japan in case of war are denied in Washington by Secretary of the Army Kenneth C. Royall.

Southeast Asia

23. *Thailand*—A nationwide state of emergency is proclaimed to combat what the government describes as a growing Communist menace.

26. *Indonesia*—The Netherlands Government announces that it will release Republican leaders and try to complete the transfer of sovereignty to the United States of Indonesia well before July 1, 1950. It invites all parties, including the U.N. Commission, to attend a round-table conference at The Hague.

March 1949

China

7. The cabinet of Premier Sun Fo resigns in Nanking. Gen. Ho Ying-chin is approved as Premier Mar. 12.

Japan-Korea

17. *Korea*—The North Korean "People's Democratic Republic" concludes a 10-year economic and cultural agreement with the U.S.S.R.

Southeast Asia

8. *Indochina*—An agreement to establish an independent Vietnam state within the French Union is signed in Paris by President Vincent Auriol and Bao Dai, ex-Emperor of Annam and prospective head of the new state.

13. *Burma*—Mandalay is captured by rebellious Communists and Karen tribesmen. On Mar. 14 the government offers the Karens an independent state within the Burma Union.

April 1949

China

5. Formal peace negotiations are opened at Peiping.

17 The Communists announce that the Nationalists have been given until April 20 to sign a draft peace agreement giving Communist troops the right to cross the Yangtze to supervise a reorganization of the Nationalist armies.

20 A new Communist offensive gets under way as Communist shore batteries commence firing on British warships in the Yangtze.

22. As Communist troops approach Nanking, the Nationalist Foreign Ministry officially announces removal of the seat of government to Canton.

Southeast Asia

3. *Burma*—The government regains possession of Mandalay Peace negotiations with the Karens are announced as imminent on April 6, but on April 9 the government says they have broken down because of inadmissible Karen demands.

May 1949

General

17 *Pacific Pact*—Korean President Syngman Rhee advocates immediate establishment of a mutual assistance pact between non-Communist Asiatic countries and the U.S. Secretary Acheson states May 18 that the U.S. is not now considering participation in further regional security pacts

China

16. Communist forces enter Hankow

25. The Communists enter Shanghai almost unopposed.

31. The U.S. announces the closing of the U.S. Consulate in Mukden owing to the "arbitrary restrictions" imposed by local Communist authorities.

Japan-Korea

12. *Japan*—Termination of reparations payments in the interest of Japanese economic recovery is announced by the U.S. representative in the Far Eastern Commission.

Southeast Asia

7. *Indonesia*—Agreement is reached at Batavia between the Netherlands and the Republic of Indonesia to restore the Republican government and seek a permanent settlement at a round-table conference in The Hague.

June 1949

General

19. *Labor*—An anti-Communist Asian Federation of Labor is established by labor leaders of eight Asian states meeting at Geneva.

China

3. Marshal Yen Hsi-shan is named Premier of the Canton government, succeeding Gen. Ho Ying-chin.

15–19. Plans for a "Political Consultative Conference" to establish a "people's" government for Communist China are outlined by Mao Tse-tung.

23. The Nationalist government announces a "closure" of the Communist-held coast and port areas effective June 25. On June 30 it rejects the legal arguments advanced by the U.S. and U.K. in refusing to recognize this measure.

30. Mao Tse-tung in an article on Communist policies aligns himself unequivocally with the "anti-imperialist front" headed by the U.S.S.R.

Japan-Korea

7. *Korea*—President Truman asks Congress to authorize $150 million in economic aid to Korea up to June 30, 1950. The State Department on June 8 announces that a U.S. military advisory group will function in Korea after the withdrawal of U.S. occupation forces (which is completed June 29).

13. *Japan*—General MacArthur, replying to a Soviet communication on Japan's tense labor situation, accuses the U.S.S.R. of inciting "disorder and violence" in Japan.

Southeast Asia

14. *Indochina*—Ex-Emperor Bao Dai is invested as head of the State of Vietnam in Saigon.

July 1949

General

11. *Pacific Pact*—A union of Pacific countries against Communism is jointly proposed by Chiang Kai-shek and Philippine President Elpidio Quirino.

China

9. The U.S. protests to Communist authorities against the July 6 arrest and mistreatment of Vice-Consul William Olive in Shanghai.

16. The Nationalists organize a Supreme Council under Chiang Kai-shek, with Li Tsung-jen as Chiang's deputy.

31. A one-year trade agreement between the U.S.S.R. and "Manchurian People's Democratic authorities" is announced. A Chinese Nationalist protest to the U.S.S.R. is delivered Aug. 7.

Japan-Korea

3. *Japan*—A statement by General MacArthur hints at "outlawry" of the Communist party.

August 1949

General

8. *Pacific Pact*—Chiang Kai-shek and President Syngman Rhee of Korea urge President Quirino of the Philippines to take the lead in forming an Asian union to combat Communism.

China

5. A White Paper on U.S. relations with China indicates that the U.S. Government contemplates no further aid to the Chinese Nationalists.

28. A "People's Government for the Northeast" is formed by Chinese Communists in Manchuria.

Japan-Korea

18. *Japan*—The State Department urges that Japan be permitted increased participation in international arrangements.

Southeast Asia

8–11. *Philippines*—President Elpidio Quirino makes an official visit to Washington and confers with President Truman on Philippine economic development.

23–November 2. *Indonesia*—Representatives of the Netherlands, the Indonesian Republic, and other Indonesian areas meet in a Round-Table Conference at The Hague to discuss the projected United States of Indonesia.

September 1949

China

9. The U.S. announces plans to reduce its consular representation in Communist-held China, charging a breakdown of normal international intercourse.

20. The Inner Mongolian province of Suiyuan is absorbed into the Communist orbit through the defection of its governor. Sinkiang province officially adheres to the Communists Sept. 28.

21. A "Chinese People's Political Consultative Conference" opens in Peiping. On Sept. 27 it unanimously adopts an "Organic Law" for the "People's Republic of China."

29. The State Department announces that three U.S. merchant vessels attempting to run the blockade after the U S. declined to furnish them naval protection have been halted off Shanghai by Nationalist warships. (Subsequently one vessel eludes the blockaders and the other two are permitted to proceed to their destinations.)

Japan-Korea

1. *Japan*—General MacArthur declares on the fourth anniversary of the surrender that Japan has earned the right to an immediate peace treaty.

2. *Japan*—The U.S. informs the Far Eastern Commission that it will turn over $80 million in Japanese monetary gold to Indochina and Thailand.

Korea—The U.N. Commission on Korea reports failure to settle differences between the Korean Republic and the North Korean Communist regime, and says there is serious danger of civil war.

14. *Japan*—Secretary Acheson says he and U.K. Foreign Secretary Bevin consider conclusion of a Japanese peace treaty urgent.

October 1949

China

1. The "People's Republic of China" is formally proclaimed in Peiping. Mao Tse-tung is Chairman of the Central People's Administrative Council; Chou En-lai is named Premier and Foreign Minister.

2. The U.S S.R. recognizes the People's Republic of China. Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and Yugoslavia follow suit Oct. 4.

11. The Nationalist government moves its capital from Canton to Chungking.

24. U.S. Consul General Angus Ward and four other members of the Mukden consular staff, confined to the consular compound since late 1948, are arrested by Communist authorities and held until Nov. 22 on charges of beating a Chinese employee.

Japan-Korea

21. *Korea*—Extension of U.N. Commission (see "United Nations and International").

November 1949

General

17. *Labor*—A "labor liaison bureau" for the Far East is established by World Federation of Trade Unions representatives meeting in Peiping.

Far Eastern Commission—Burma and Pakistan become members of the Commission.

China *

15. A U S merchant ship is shelled and damaged by a Nationalist destroyer in breaking out of the Nationalist blockade of Shanghai.

18 Secretary Acheson appeals to the Foreign Ministers of 30 countries represented in China for intercession in the Angus Ward case (see Oct. 24).

20. As Communist troops close in on Chungking, Acting President Li Tsung-jen enters a Hong Kong hospital for medical treatment.

22. Consul General Angus Ward and four aides whose prison sentences by a Mukden "People's Court" were commuted to deportation are released and authorized to leave the country.

26. U.S. Vice Consul William Stokes is arrested in Mukden and released after being escorted to a Communist espionage trial. The Communist deportation order is extended to include all non-Chinese members of the Consulate staff. They leave Mukden Dec. 7 and sail from Tientsin Dec. 14.

28. Nationalist blockaders shell a second U.S. freighter. The U.S. protests Dec. 3 and its protest is rejected Dec. 6.

30. Chiang Kai-shek establishes a new capital at Chengtu.

Japan-Korea

15. *Korea*—The North Korean radio says two ECA employees missing since Sept. 20 are being held until the U.S. officially asks the North Korean "People's Republic" about their safety. Arrangements for their release are completed Dec. 11.

Southeast Asia

2. *Indonesia*—The Hague Round-Table Conference which began Aug. 23 concludes with complete agreement on the transfer of sovereignty to the United States of Indonesia and on the latter's future relation to the Dutch crown.

8. *Philippines*—President Elpidio Quirino is elected to a full four-year term over José P. Laurel, the Nationalist candidate.

December 1949

China

6. Acting President Li Tsung-jen arrives in the U.S. for medical treatment.

8. The Nationalist government abandons the mainland and establishes a temporary capital at Taipei, Formosa.

* For U.N. developments see "United Nations and International."

U.N. General Assembly resolutions (see "United Nations and International").

15. The Governor of Sikang Province, Nationalist military base, forces its defection to the Communists.

16. Communist leader Mao Tse-tung arrives in Moscow to negotiate a Sino-Soviet treaty (signed Feb. 14, 1950).

17. Burma recognizes the Chinese Communist government.

30. India recognizes the Chinese Communist government.

Japan-Korea

21. *Japan*—The Soviet delegate walks out of the Allied Council for Japan after refusing to discuss the status of Japanese prisoners in Soviet hands.

Southeast Asia

14. *Indonesia*—The provisional constitution of the United States of Indonesia is ratified by the provisional parliament of the Indonesian Republic and signed by 16 native states and territories.

16. *Indonesia*—Sukarno, President of the Indonesian Republic since 1945, is named first President of the United States of Indonesia by a special electoral body. Mohammed Hatta is appointed Prime Minister Dec. 18.

21. *Indonesia*—The act to transfer sovereignty is approved by Queen Juliana of the Netherlands after approval by the Dutch lower house (Dec. 9, 71-29) and upper house (Dec. 21, 34-15).

27. *Indonesia*—The Netherlands formally transfers sovereignty to the United States of Indonesia at ceremonies in Amsterdam The U S extends diplomatic recognition Dec 28.

30. *Indochina*—An agreement signed at Saigon transfers full authority in internal affairs from France to Vietnam.

BRITISH COMMONWEALTH

January 1949

1. *India* and *Pakistan* order a cease-fire in Jammu and Kashmir.

February 1949

28 *New Delhi conference*—Representatives of the U K, Australia, India, and Ceylon meet to consider a request from Burma for financial aid. Their offer of mediation in the Burmese internal strife is rejected.

March 1949

21. *India-Pakistan*—U.S. Adm. Chester Nimitz is designated U.N. Plebiscite Administrator for Jammu and Kashmir.

April 1949

1. *Canada*—Newfoundland becomes the tenth province of Canada under terms of union approved in February by the Canadian Parliament and the Newfoundland Commission Government.

12. *Canada-U.S.*—An exchange of notes creating a Joint Industrial Mobilization Committee is published.

18. The *Republic of Ireland* is formally inaugurated in Dublin, marking the severance of all ties between Eire and the British Commonwealth.

21–27. *Commonwealth Conference*—A conference of Commonwealth Prime Ministers in London accepts the principle of India's continued full membership in the Commonwealth after that country becomes a republic. India accepts the King as a symbol of the free association of the Commonwealth's independent member nations.

May 1949

15. *Australia*—Prime Minister J. B. Chifley advocates combined planning for Pacific defense by Australia, New Zealand, the U.K., and later the U.S. and other nations with Pacific possessions. Following Acheson's statement of May 18 (see "Far East"), Chifley states on May 20 that the reciprocal availability of certain U.S. and Australian facilities in certain circumstances is well understood.

17. *U.K.-Ireland*—Despite Irish protests, the British House of Commons gives final approval to an Ireland bill which places certain qualifications on the recognition of Irish independence and reaffirms the position of Northern Ireland as a part of the United Kingdom.

June 1949

5. *Canada*—A new bilateral air agreement is signed with the U.S.

27. *Canada*—Parliamentary elections give the Liberal party of Prime Minister Louis St Laurent 193 out of 262 seats in the House of Commons.

27. *U.K.*—A £1.25 billion five-year bilateral trade pact with Argentina is signed despite U.S. objection that it contains restrictive and discriminatory features.

July 1949

6. *Finance*—A halt in new U.K. dollar expenditures in the U S and Canada is announced by British Chancellor of the Exchequer Sir Stafford Cripps, who discloses that U.K. gold and dollar reserves have dropped below the danger level.

8–10. *Finance*—U.S. Secretary of the Treasury John W. Snyder meets with Cripps and Canadian Finance Minister Douglas C. Abbott in London to discuss means of closing the sterling area's trade gap with the dollar countries.

11. *U.K.*—A state of emergency is declared in an unofficial dock strike which government spokesmen term "Communist-inspired." The emergency is terminated July 26.

12–18. *Finance*—Commonwealth Finance Ministers in London decide to follow the U.K. lead in cutting imports from dollar areas.

August 1949

15. *Australia*—A "Communist-inspired" coal mine strike that began in June is settled after troops are called in to work the mines.

30. *India-Pakistan*—President Truman and U.K. Prime Minister Clement R. Attlee urge India and Pakistan to submit their dispute over Kashmir to arbitration.

September 1949

6–12. *Finance*—A conference of U.S., U.K., and Canadian foreign and finance ministers in Washington agrees on various measures to alleviate the British and sterling area payments position.

18. *Finance*—Devaluation of the pound sterling is announced. All Commonwealth nations except Pakistan devalue their currencies within three days.

20. *India-Pakistan*—The U.N. Commission reports that Pakistan has agreed to arbitration of the Kashmir dispute but India has refused.

20–30. *Atomic Energy*—U.S., U.K., and Canadian representatives in Washington hold exploratory talks on long-range atomic energy cooperation.

October 1949

11. *India*—Prime Minister Jawaharlal Nehru begins a four-week tour of the U.S. and Canada. On Oct. 13 he tells both houses of the U.S. Congress that India is committed to peace but will not stay neutral where freedom is endangered or in face of aggression.

November 1949

26. *India*—The Constituent Assembly adopts a new constitution making India a "sovereign democratic republic" effective Jan. 26, 1950.

30. *New Zealand*—Parliamentary elections end the 14-year rule of the Labor party as the National party of Sidney G. Holland wins 46 seats in the House of Representatives to Labor's 34. Holland forms a new cabinet Dec. 8.

December 1949

10. *Australia*—Parliamentary elections give the Liberal and Country party coalition 74 seats in the House of Representatives to Labor's 47, ending the 10-year rule of the Labor party. R. G. Menzies is named Prime Minister Dec. 17.

12. *India-Pakistan*—The U.N. Commission reports its failure to effect demilitarization in Kashmir and advises the Security Council to appoint a mediator.

19. *Armaments*—The U.S., U.K., and Canada announce agreement on gradual standardization of all non-atomic weapons

21. *U.K.*—Concern at a British decision to curtail imports of dollar oil into the U.K. and the sterling area is voiced in an official State Department release.

27. *India-Pakistan*—India rejects the proposals for ending the Kashmir dispute advanced by Gen. A. G. L. McNaughton on behalf of the Security Council.

WESTERN HEMISPHERE

January 1949

6. *El Salvador*—The head of the Revolutionary Junta, Lt. Col. Manuel de Jesus Córdoba, is supplanted by Maj. Oscar Osorio and flees the country.

18. *Antarctic*—Great Britain, Argentina, and Chile agree not to send warships south of latitude 60° during the 1948–1949 season.

21. *El Salvador, Venezuela*—The U.S. Department of State announces that following an exchange of views with other American governments, diplomatic recognition has been granted to the military regimes established in Venezuela in November and El Salvador in December 1948.

27. *Argentina*—The Constituent Assembly elected in December convenes in Buenos Aires but is boycotted by the 48 Radical party delegates.

30. *Paraguay*—A bloodless revolution led by Minister of Education Felipe Molas López overthrows the six-month-old government of President Juan Natalicio González.

February 1949

21. *Organization of American States*—The dispute between Costa Rica and Nicaragua which arose in December 1948 as a result of Costa Rica's charges

that it had been invaded by revolutionaries from Nicaragua is settled with the signing of a pact of friendship in Washington.

23. *Organization of American States*—The Council of the Inter-American organization, meeting to consider Haitian charges that the Dominican Republic was involved in a conspiracy to overthrow Haiti's President Dumarsais Estimé, expresses the hope for improved relations between the two countries.

26. *Paraguay*—In a second bloodless coup the provisional President, Gen. Raimundo Rolón, is overthrown and succeeded by Molas López.

March 1949

15–29. *Organization of American States*—The American Committee on Dependent Territories set up by the Bogotá conference in 1948 holds its first meeting at Havana, attended by 12 of the 21 American Republics.

16. *Argentina*—President Juan D. Perón takes the oath of allegiance to the new constitution, under which the President is made eligible for reelection. (The constitution was unanimously approved by the Constituent Assembly Mar. 8 in the absence of the opposition delegates.)

24. *Brazil*—A report on economic development problems prepared by the Joint U.S.-Brazil Technical Commission set up in 1948 is released.

April 1949

13. *Paraguay*—The U.S. announces resumption of diplomatic relations with Paraguay, suspended since the Jan. 30 coup. In national elections held April 17 President Molas López, the only candidate, is confirmed as chief executive.

23. *Peru*—The military junta claims discovery of a revolutionary plot allegedly instigated by the outlawed Apra party. Arrest of the majority of those implicated is announced April 26.

May 1949

1. *Bolivia*—Congressional elections are followed by rioting in the capital and proclamation of a state of siege May 2. The Republican Socialist Union party (PURS) of President Enrique Hertzog retains control of both houses of Congress.

18. *Brazil*—President Eurico Dutra arrives for a 10-day visit in the U.S. A joint statement by Presidents Truman and Dutra on May 21 outlines a five-point program of economic and technical cooperation.

20. *Bolivia*—Organization of a new cabinet is announced by Acting President Mamerto Urriolagoitia, who assumed office May 7 in view of the President's illness.

23. *Colombia*—Six Liberal party ministers resign, charging Conservative President Mariano Ospina Pérez and the Conservative cabinet members with failing to provide adequate guarantees of freedom in the forthcoming national elections. An all-Conservative cabinet is organized May 24.

31. *Bolivia*—The government declares general mobilization and a nationwide state of siege following an outbreak of rioting which claimed 150 lives in connection with a strike of tin miners.

June 1949

5. *Colombia*—Congressional elections are held without incident and give the Liberal party a reduced majority in the Chamber of Representatives, with 70 seats to 62 for the Conservatives.

9. *Organization of American States*—Haiti and the Dominican Republic sign

a joint pledge of neighborly relations as aftermath of the controversy that began in February.

21. *Dominican Republic*—The government claims to have suppressed a two-day rebellion originating abroad, and accuses Cuba, Costa Rica, and Guatemala of complicity.

27. *Argentina*—Trade pact with Great Britain (see "British Commonwealth").

July 1949

11–21. *Organization of American States*—The American Committee on Dependent Territories holds its second meeting in Havana.

18. *Guatemala*—Chief of Staff Col. Francisco Arana is assassinated in a 48-hour uprising led by dissident army officers.

August 1949

3. *Organization of American States*—The Inter-American Peace Committee is convoked by the U S. and holds a series of meetings to consider political unrest in the Caribbean area.

6. *Ecuador*—An earthquake in central Ecuador kills an estimated 4,000 persons and renders 100,000 homeless.

20. *Chile*—All Chilean territory is declared an emergency zone as a result of disturbances that began Aug. 16 and allegedly involve threats of a general strike and a large-scale Communist revolutionary plot

25. *Panama*—A new cabinet is formed by Acting President Daniel F Chanis, Jr. following the death Aug 23 of President Domingo Díaz Arosemena.

27. *Bolivia*—A rightist rebellion breaks out under the leadership of the outlawed National Revolutionary Movement (MNR) and dissident army leaders. General mobilization is declared Aug 29.

September 1949

7–11. *Labor*—The anti-Communist Inter-American Confederation of Labor holds its second congress at Havana.

11. *Paraguay*—Foreign Minister Federico Chaves is named Provisional President to succeed Molas López, who resigned Sept. 10 after a no-confidence vote by the Congress.

13. *Organization of American States*—The Inter-American Peace Committee makes public a series of recommendations for dealing with political unrest in the Caribbean area and elsewhere in the Western Hemisphere

15. *Bolivia*—The rightist rebellion that broke out in August collapses with the recapture of Santa Cruz by government forces.

18. *Finance*—The U.K.'s devaluation is followed by Argentina, Bolivia, Paraguay, Peru, and Uruguay, all of which modify their system of exchange rates before the year's end.

19. *U.S.*—Secretary Acheson in a major address on policy toward Latin America comments unfavorably on the prevalence of "plots and counterplots" in the Caribbean area.

23. *Colombia*—Political tension is heightened as the Supreme Court upholds an electoral law previously passed by Congress over a presidential veto.

October 1949

2. *Costa Rica*—National elections give Otilio Ulate's National Union party 33 of the 45 seats in Parliament.

4. *Paraguay*—A state of siege is proclaimed to combat "subversive activities" by "antidemocratic forces."

11. *Organization of American States*—The Inter-American Defense Board meets in Washington.

24. *Bolivia*—Acting President Urriolagoitia assumes the presidency following the resignation of President Hertzog Oct. 19.

November 1949

8. *Costa Rica*—Otilio Ulate, elected Feb. 8, 1948, is installed as President, ending 18 months' provisional rule by José Figueres.

10. *Colombia*—The government declares a state of siege as a result of mounting political strife between Liberals and Conservatives.

15. *Haiti*—A state of siege is proclaimed in reaction against opposition "political and social agitation."

18. *Antarctic*—Argentina, Chile, and the U.K. renew for a second year their agreement not to send naval vessels to the Antarctic.

20. *Panama*—President Chanis resigns under an ultimatum from Col. J. A. Remón, head of the National Police. Vice-President Roberto F. Chiari is sworn in as President.

22. *Panama*—Rioting occurs as Chanis withdraws his resignation with the approval of the Assembly. Chiari continues to hold the presidential offices.

23. *Uruguay*—A treaty of friendship, commerce, and economic development with the U.S. is signed in Montevideo

24. *Panama*—Former President Arnulfo Arias is installed as President by the National Police despite a Supreme Court ruling that Chanis still is the constitutional executive Chiari resigns upon learning of the court's ruling. The U.S. State Department on Nov. 25 deplores these events and announces the interruption of diplomatic relations (Relations are resumed Dec. 14 following consultation with other American governments.)

24. *Venezuela*—Constitutional guarantees are partially restored by the military junta on its first anniversary.

27 *Colombia*—Conservative Laureano Gómez, the only candidate, is elected President in an election boycotted by the Liberal party. Total deaths in preelection fighting are estimated at over 1,000.

December 1949

12. *Dominican Republic*—Renewing accusations of subversive activity abetted by Cuba and Guatemala, President Trujillo asks the congress for authority to declare war on any nation assisting hostile forces. Despite deprecatory statements by Cuba, Guatemala, and the U.S., the requested powers are granted Dec. 26.

29. *Dominican Republic*—The Inter-American Peace Committee expresses "grave concern" over the grant of war powers. In reply, the Dominican Government on Dec. 31 asks for an opportunity to present its case.

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