1. Wallace's Central Hall speech got considerable space in Saturday papers, the TIMES giving it nearly a column; the MAIL (which often ignores American news) almost a column under a four-column head: "Britain's big chance to save world"; TELEGRAPH half column under head: "Mr. Wallace's peace call"; the EXPRESS briefly; NEW CHRONICLE a column under head: "Britain's great chance to lead world peace"; the HERALD a front page second new position under head: "Britain must take lead, says Wallace." The HERALD accords the Wallace story the unusual tribute of a full column on page one plus almost another column on the inside page.

The only editorial comment is in the TIMES and TELEGRAPH. The TIMES says Wallace's attack on Truman's domestic and foreign policies covers issues best left to Americans to settle. The TIMES agrees with Wallace's estimate of the British position as a healthy midway between Soviet Communism and American free enterprise, and also with his insistence that 'Americans oppose to Communism is a totally barren policy.' The TIMES reminds Wallace, however, that poverty and exploitation are not the monopoles of democratic systems.

The TIMES regards Wallace's analysis of the international scene as over-simplified, over-dramatized and unduly pessimistic, and asks whether Wallace really imagines that...
Soviet Russia is spoiling for war and that aggressive intentions can be ascertained to the U.S. Wallace's structures on the Turkish and Greek Governments were 'too sweeping,' and his prescriptions for 'positive action' were imprecise.

The TIMES notes that Wallace did not last night repeat his press conference advocacy of an American loan to Russia, though, like the ECONOMIST, it thinks such a loan 'might do more than anything else to arrest the drift of affairs at the moment.' The TIMES suggests Wallace perhaps wants more evidence of Russian cooperation before suggesting a loan, and it applauds his rebuff of Russia for failing to join P-A-C, the bank and the regional economic committees of U.N.

The TELEGRAPH devotes its Saturday leader to Wallace, and says that other men want a one-world approach as ardently as he does, only many of them have some doubts whether such idealism inspires the Kremlin. The TELEGRAPH poses two questions to Wallace: Would any non-Soviet dominated country prevent married citizens from joining foreign husbands? Would Russia permit private citizens holding opposition views to invite Wallace to Moscow to express their views?

There is almost no editorial reaction yet to Gripp's speech at Geneva yesterday but correspondents and headline writers take the speech as evidence Britain will at least insist on holding to modified preferences. The TELEGRAPH head reads: Britain stands by preferences'; the TIMES: 'Sir Stafford Gripps on Empire's Interdependence.'

James O'Neill of the SCOTLAND leads his story: 'even a 50% cut by the United States in all her tariffs, in return for dismantling the Empire preferential system, will not satisfy the British Government.'

Seaverbrooke's EXPRESS, which advocated no yielding on preferences, in the only comment thus far, explains: 'How eloquent was his (Gripps') vindication of this great system of economic betterment?' The EXPRESS finds it ironical, however that
however that after Grips' praise of preferences he should sit down to bargain them away. The praise is "but a handsome wreath placed upon the coffin."

The HERALD uses the figures on dollar disappearance published in the National Income White Paper yesterday to prod the critics of the Government's spending policy. Noting that the overseas deficit account is $40,000,000 rather than the expected $250,000,000 the HERALD says the situation is serious but there is no excuse for alarmist predictions.

The Liberal Herald CHRONICLE criticizes Bevin for his switch to internationalisation of the Ruhr, reminding him that last June he told Parliament that in such control he saw a device "which would take the sting and danger out of the Ruhr" and allow it to become not a German industry but a European industry, which would develop the life of the community of all the peoples of Europe." A five British proposal for Ruhr Internationalisation, the HERALD CHRONICLE says, might have been a gesture of reassurance to Russia and an "over-due recognition of French interests," and this in turn might have led to similar treatment for Upper Silesia. "European prosperity cannot be attained without coordinated direction of Europe's basic industries and resources of which the Ruhr is the heart and center."

The HERALD CHRONICLE has been waging a campaign for an integrated European economy, and has thrown its weight behind the Churchill United Europe plan and Dulles' scheme for a European economy in which the German economy is orientated outward. The CHRONICLE says Bevin is in danger of allowing the endless strain of negotiation to divert him from plans he knew to be right. "If he cannot find encouragement to have faith in the future he should at least take warning from the experience of the past."

USIS London.

MESSAGE UNSIGNED

WNS:DN

PLAIN