INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

PLAIN

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UNTITLED TEAMS CABLE NO. 122.

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; NEWS 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 jump.

The only editorial comment is in the TIMES and TELEGRAPH. The TIMES says Wallace's attack on Truman's domestic and foreign policies cover 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 opposition 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

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Soviet Russia is spelling for war and that aggressive intentions can be imputed to the U.S. Wallace's assertions 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-O, 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 emigrated citizens from joining foreign husbands? Would Russia permit private citizens holding opposition views to invite Wallace to Moscow to endorse their views?

There is almost an editorial reaction yet to Gripps' 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 Oldfield of the ISRAELI leads his story: "Even a 25% cut by the United States in all its tariffs, in return for dismantling the Empire preferential system, will not satisfy the British Government."

Seeverbrooke's SYMPHONY, which advocated so yielding on preferences, in the only comment thus far, exclaims: "How eloquent was his (Gripps') vindication of this great system of economic betterment!!" The EXPRESS finds it ironical, however that
however that after Cripps' 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 $200,000,000 pounds rather
than the expected $20,000,000 the HERALD says the situation
is serious but there is no excuse for alarmist predictions.

The Liberal HEROES CHRONICLE criticises Bevin for his switch
on 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 HEROES 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 co-ordinated direction
of Europe's basic industries and resources of which the
Ruhr is the heart and center."

The HEROES CHRONICLE has been waging a campaign for an inte-
grated European economy, and has thrown its weight behind
the Churchill United Europe plan and Dallas' scheme for a
European economy in which the German economy is orientated
overseas. The CHRONICLE says Bevin is in danger of allowing
the endless strain of negotiation to divert him from prime
plans he knows 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."

UBIS London.

MESSAGE UNSIGNED

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