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REVIEW OF EUROPEAN PRESS REACTION TO MR. HOFFMAN'S PARIS VISIT
AND GENEVA NEGOTIATIONS, 25 OCTOBER THROUGH 10 NOVEMBER 1949

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1 December 1949
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Introduction

When it was announced towards the end of October that Mr. Hoffman, Administrator of the Marshall Plan, would come to Paris before the end of the month to address the CBEC, the European powers at once began extensive coverage of CBEC problems. Liberalization of trade, European economic integration, the removal of trade barriers, the creation of a European Monetary Fund, and the repatriation of Marshall Aid were typical editorial subjects.

General coverage of these items was in many cases accompanied by speculation on what Mr. Hoffman was expected to say in Paris.

As soon as Mr. Hoffman actually arrived in Paris and the talks began, there was scarcely a major European paper which did not devote at least one daily article to the negotiations that were going on at the Château de la Housse. Interest in the negotiations was keen and genuine, although the attitudes taken by various participants — as reflected by the leading newspapers of their country — were not always uncritical.

Mr. Hoffman's statement was given considerable space; the London papers, in particular, quoted long excerpts verbatim. Most papers limited editorial comment at this stage, but the Paris dailies, even during the negotiations, strongly summarized Mr. Hoffman's speech and added considerable comment. The fact that at a critical point of the negotiations a French proposal was submitted and adopted was reflected largely in the French and the Belgian press.

Editorial comment on the result and the meaning of the negotiations was carried on over a long period after the end of the talks. At this later stage, many European papers commented the concept of economic unification with that of European integration as manifested in such projects as the Council of Europe and various regional customs unions.

The notion of "Fritalux" which had been approached with great skepticism earlier was now taken quite seriously by that part of the Parisian press which regularly reflects attitudes of the government.

The communist press attacked the talks as being the reflection of an American "ulama" or "dictat". Editorial comment and analysis of this problem can still be found in many European papers at this time.
As soon as it was announced that Mr. Hoffman would address the
OECD, the bulk of the European papers carried articles ranging from
simple reports on Mr. Hoffman’s expected arrival to lengthy speculations
on what he was expected to say.

Obviously some prior information reached a number of these papers,
for many of the articles on Mr. Hoffman’s intentions were so detailed
that mere speculation could not have been their basis. In France the
clearest analysis was given by the daily economic journal *L’Agence Eco-
nomique et Financière*.

Desirous of facilitating as far as possible the vote by Congress of
credit for European aid for 1950-51 and 51-52, Mr. Hoffman will
announce his intention of remodeling the reorganization of aid.

He has already announced the new system will follow the pattern
adopted for 1948-49....

Another important proposal is said to refer to the creation in
Europe of a supranational bank which might start operations in
spring or summer 1951.

Mr. Hoffman is credited with the idea that this bank might be
changed with the gradual realization of convertibility of European
currencies and with granting necessary aid to one or another nation
after the termination of the Marshall Plan.

The capital of this bank might be about 500 million dollars furnished
in part by the International Monetary Fund and in part by the ECA
and the European nations. The European nations would be called upon
to make all possible suggestions in this connection and there is no
doubt that the effective setting up of this organism may largely
facilitate the voting of future ECA credits by Congress.

It has to be stressed, finally, that the 2 billion dollar credit
which Mr. Hoffman mentioned on 17 October as possible American
foreign aid after the dissolution of the ECA would by no means be
intended entirely for aid to Europe. It cannot be claimed, therefore,
that the Marshall Plan would survive its own death after June 1952.

The leftist *Indépendant* considered the alleged new American
view of how to free the OECD, so that it can do some significant work.
It stated in part

It is held that the important statements which Mr. Hoffman,
administrative of the ECA, will undoubtedly make on Monday will
deal with immediate realization, by means of a system of regional
zones, of the economic and monetary unification of Europe.
The plan would be to have American aid allocated by the ECA according to a pattern proportionate to the repatriation aid during the present budget year. OEEC would then only have a secondary part to play.

In addition, interested circles think that the ECA would have at its disposal a reserve, a sort of "pool" which it would use to give a "bonus" to this or that more "liberal" country. Moreover, it is likely that a certain number of projects will be submitted with the aim of setting up intra-European organisations (European Bank, European Monetary Fund, etc...).

The conservative Le Monde and the rightist-independent Le Figaro printed exactly the same article except that, in the last paragraph, the papers did not use the aggressive formula of "combat" but said:

...a reserve, a pool which it would use to cover exceptional needs of one or the other European country.

The heading of Le Monde's article was:

"The Importance Of The Next OEEC Meeting. The Aim Of Mr. Hoffman's Trip To Paris Is To Activate European Cooperation."

L'Aube (MSR-liberal Catholic) did not specify the means which Mr. Hoffman would be expected to advocate, but said that he would ask for abolition of trade and customs barriers and the setting up of a European market. According to its article Mr. Hoffman was dissatisfied with the efforts made by the nineteen Marshall countries towards establishing freedom of trade and free convertibility.

The rightist, governmental L'Espece printed an article similar to what was written by L'Aube but elaborated on the project of a European bank in these terms:

...It is likely that Mr. Hoffman will also ask for the creation of a Western European Central Reserve Bank and for the establishment of a permanent council to supervise gradual abolition of customs barriers and that he will insist on close watching of those budgets which show a possibility of provoking inflation.

The Central Reserve Bank could be something like a subsidiary of the International Monetary Fund or, in other words, an entirely new European institution and it would be financed largely by the United States.

After exposing his views to the OEEC, Mr. Hoffman will proceed to Frankfurt, London, and back to the United States.

The British provincial Glasgow Herald on 25 October added some significant details about the basis for American objections to certain OEEC deficiencies. Its article began with the standard anticipation of what the Hoffman visit was about and then continued:

...The greatest censure of the organization's work so far is that, apart from dividing out dollar aid which has taken an interminably long time and for 1949-50 is still incomplete—all that has been effected is revision, revision, revision, and finally suggestions to member Governments. There has been no integration. It is frankly
admitted, for example, that some, perhaps many, of the individual projects for refining crude oil by member countries will prove uneconomic. Yet they are to go on, and one of the chief reasons is that those Continental countries claim that they will be unable to find sufficient sterling to purchase refined rather than crude oil - the former being much dearer from sterling companies in the Middle East. But if these countries could obtain the sterling, much wasteful use of resources could be eliminated by refining more at the source of crude oil supplies and in efficient refineries. The market for refined oil is, however, to be rigidly confined by national boundaries, instead of being a single integrated whole.

The journalistic, strongly anti-labor London Daily Mail, actually put words into Mr. Hoffman's mouth in a short article on 26 October which stated in part:

A central bank for Western Europe will be urged by Mr. Paul Hoffman, Marshall Plan administrator, at a meeting of 20 Finance Ministers in Paris next Monday.

In a hard-hitting, 13-minute talk to Sir Stafford Cripps and the Foreign or Finance Ministers of the other 18 Marshall Aid nations, Mr. Hoffman is likely to press for:

- A permanent board to guard against "back-sliding" in the removal of trade barriers,
- Control over inflationary budgets.

Mr. Hoffman will tell the Governing Council of the OEEC: "You have done well up to now, removing trade restrictions, adjusting currencies and stepping up production. Now we must look ahead."

A similar confidence in what would be said was displayed at the same day in an article published in the independent-conservative Daily Telegraph.

The Swiss papers devoted several articles to the Paris talks. On 25 October the Bern governmental daily Neue Zürcher Zeitung devoted two columns of its economic page to an article headed "A decisive session of the OEEC to be held. Foundation of a Central Complaint and Arbitration Group for the Liberalization of Trade Relations. Discrimination against Switzerland Continued." The article did not contain any direct reference to what Mr. Hoffman might say. On the next day the rightist-liberal Neue Zürcher Zeitung published a lengthy article under the heading "New talk for Marshall Aid. American Plans for the Promotion of Free Marshall Economy." This dispatch by Solomon Wolff from Paris first reviewed the results the OEEC efforts had yielded up to that point and after stating that Mr. Hoffman was expected in Paris at the end of the week it dealt with the American viewpoint which, it said, was to speed up the removal of import quotas and reform the system of repartition of Marshall aid. The author said that...
Mr. Hoffman would urge the participating countries to hasten in their efforts and use terms similar to those used by French conservative papers in explaining that definite results would have to be shown to Congress if new appropriations were to be voted. The paper reprinted the same article on the next day.

On 24 October the Dublin Irish Independent reflected a sceptical and critical view of the new developments. This tone was somewhat surprising since the Independent consistently has supported Foreign Minister Mac Bride in his policy of creating a unified Western Europe. The article began with an assertion that Washington was developing plans for a single-market Europe, realising all the while that the maximum achievement possible might well be a small number of free-trade country groups. Then it asserted:

Ostensibly these proposals are of an economic character; in fact, they have first-class political implications. It is reported, for example, that one free trade group is contemplated that would consist of France, Italy, Belgium and Western Germany. If such a group were ever set up not much would remain of the political sovereignties of those countries. It is difficult to feel that such a combination could be achieved when the size progress of the Belgo-Dutch customs union is remembered. Short cuts are not so easily found. It is probable that the rumours from Washington have been designed to test European reactions. If so, they are likely to find a cool reception. But it is well for the Marshall aid countries to remember that the American people expect to see progress towards European unity, even if the difficulties are badly underestimated.

In Belgium several papers speculated on Mr. Hoffman's intentions along lines similar to those adopted by the French papers. On 24 October La Cotte (Independent-liberal) published an article under the heading: "Mr. Hoffman to present a new plan for the Repatriation of Marshall Aid." La Nation Belge (Independent) published a similar article headed "A New Plan of Hoffman for the Repatriation of Marshall Aid." The economic journal Echo de la Bourse on 27 October devoted a column to Mr. Hoffman's Proposal at the OECD's Next Session. An Exposé Based on Reappraisal," it said that Mr. Hoffman's proposal would cover:

1) A new system of free repatriation of Marshall aid aimed at freeing countries which had increased their efforts in the desired direction;

2) The creation of a European reserve bank either financed by the United States or acting as a subsidiary of the International Monetary Fund;

3) The setting up of a committee for the gradual abolition of customs barriers;
4) A Control Committee for budgets within the OEEC, with the
aim of combating inflationary tendencies;
5) The speeding up of regional economic unions.

La Nation Belge (Independent) on 27 October used the strong heading
"Mr. Hoffman to head the OEEC Countries an Ultimatum" over an article
which states in part

.... well-informed sources state that Mr. Hoffman has prepared a
series of proposals which practically will see Western European
nations with the choice between an increased effort in the field of
production in intra-European trade or the risk of a large scale
production of American aid.

The Dutch press also gave considerable advance coverage to Mr. Hoffman's
visit to Europe and the general slant was that they expected Mr. Hoffman
to tell the Western European countries to cooperate or else. The Independent-liberal De Telegraaf observed that if it was actually Mr. Hoffman's intention
to urge Europe toward closer cooperation, this warning would also concern
Holland which had been "muddling around with the Benelux in a very poor
fashion". The paper continued by saying that this was true only because
the Dutch insisted on trailing behind a country standing in the way of
cooperation: Great Britain. The paper went on to observe that if "Proud
Alien" had been geographically situated near the United States, the 48
states of America would never have succeeded in cooperating. It continued
its reproaches against the British by saying that it was obvious that they
were not very keen on cooperation with the countries of the continent;
the methods used by the British government in the devaluation proved that
the British had severed their ties with the remainder of Western Europe.
"We will have the choice", the Telegraaf concluded, "between Britain and
other countries like France and Belgium in devising a system which will
save our civilization and our economy."

On the next day the Catholic morning paper De Volkspoort published
an article along the same lines in which it expressed its conviction that
while Europe as a whole might have shown more initiative in the question
of economic integration, Great Britain in particular had proved to be a
specific handicap on the road to economic recovery. The paper expressed
its belief that another convertibility doubtless was one of the conditions
essential to the economic rehabilitation of Europe.

Yet it would be senseless unless the pound and the dollar are included
in such a convertibility. Western Europe is not self-sufficient,
economically or militarily, and a currency union or even a single
currency in Europe would have little or no value. It would be a
different matter if the United States were to take part in such a currency
union and this would probably result in a more cooperative attitude on
the part of the British.

In Italy and in the remaining Marshall Plan countries reports in the papers
prior to the actual conference were generally limited to announcements of which
Ministers would attend the conference and to indications that in the course of
the meetings Mr. Hoffman would suggest a new distribution of ERP aid aiming at
achieving the organization's fundamental aim, the economic unification of
Europe. Some papers added that the suggestion would also point to a solution of
the monetary problems which in Mr. Hoffman's opinion (said the papers) represented
the main difficulty to be overcome in the creation of a vast unified Europe
market.
III

NEWS COVERAGE OF OEEC NEGOTIATIONS

Once the negotiations of the OEEC had started, and particularly in the days after Mr. Hoffman's OEEC speech, there was hardly an European newspaper which did not devote at least one daily article to the talks at the Château de la Muette. Coverage varied, of course, from one country to the other. In Great Britain the press concentrated most of its space on direct quotations from Mr. Hoffman's speech while in both France and Ireland preoccupation was more with the nationalistic aspect of the negotiations. This tendency was largely motivated by the fact that both the Irish Foreign Minister and the French Minister of Finance had submitted concrete proposals to the OEEC to substantiate the idea expressed by Mr. Hoffman. It was pronounced in France since Mr. Maurice Pételche's proposal came at a crucial moment of the negotiations at the Château de la Muette and was actually used as a basis for the OEEC agreement, whereas Mr. McNair's suggestions were put forward right at the beginning of the conference and did not deal specifically with the problem raised by Mr. Hoffman's address. The bulk of the press coverage on Mr. Hoffman's speech in the London dailies came on 1 and 2 November.

The Daily Herald (Labour) printed only one short report, on Tuesday 1 November, under the heading "Europe Tackles Hoffman's Plan". It reported that Mr. Hoffman had praised Western Europe's progress in the last fifteen months but had warned the Marshall Aid countries earlier today that unless their dollar earnings rose "dramatically" by 1952, the trade balance would spell disaster.

On the next day, the Government paper did not mention the OEEC talks at all.

The largest coverage, on the other hand, came from the independent London Times. On 1 November it devoted almost half its economic page to an article under the heading "Economic Integration of Seventeen Nations: Mr. Hoffman's Call to Europe." The article first made particular reference to the presence of Herr Stuckter, German OEEC representative, and then went on to give extensive quotations from Mr. Hoffman's speech. By way of comment the article said in part: "Mr. Hoffman has concentrated on one objective, the integration of Europe. Even the closing of the dollar gap, though it enjoys a certain priority in his speech, takes up far less of its space. Some other proposals that were expected have not been made. There is no suggestion that the ECA will itself carry out the division of dollar aid, or that the OEEC should prepare programmes for the coming
two years together. This should not be taken to mean that suggestions on these lines may not be put forward at a lower and more technical level.

On the same day, the Times devoted one full column of its editorial page to reasoned comment on the speech under the heading "Call to Europe." The editorial included emphasis reference to Ambassador Foster's "ples...in New York... for American help in the purchase of more European goods," and added that "it shows unmistakably that free trade can come no frontiers, whether of continents or nations." In the Times' view this request was fully as important as Mr. Hoffman's admission, which was, it felt, a stout blow for a 'European state of mind'. In concluding its case for the establishing the widest possible free-trade area, the Times went beyond the European confines of Mr. Hoffman's speech by stating:

Here again Europe's need is the world's need writ smaller. There is no magic in international cooperation in any part of the world by which individual countries which chronically cannot pay their bills or, at the other extreme, which persistently sell more than they will buy can be permitted to continue with their ways. It is in the individual countries, the world over, where the economic adjustments must first be made which can bring about a more freely flowing and more efficient output and exchange of goods; and they will trade with those who will trade with them. If, at one extreme, the call is to Britain to put her house in order by measures, positive as well as negative, to make and sell goods at the lowest economic price, the call is at the other extreme to the United States itself. Mr. Hoffman seeks the debtors of Europe solvent, and they must look to their own solvency, singly and together, themselves. But, as Mr. Foster suggested in New York, it will still be America's business to do her special part in the grand balancing of accounts upon which Europe's prosperity, and the world's, will depend.

On 2 November the Times clearly showed its attitude to the problems outlined by Mr. Hoffman in two articles printed next to each other on the same page. One was headed "Integration Of Europe, British Attitude, Sir Stafford Cripps Reply To Mr. Hoffman," and the other "Council Of Europe, The Next Stage." The latter article again emphasised the points made by Mr. Hoffman and then turned to the answers given by Sir Stafford Cripps. It paid particular notice to his mention of Great Britain's task within the framework of Mr. Hoffman's recommendations.

Defining the British position, he said: "We, as the centre of the largest multilateral trading area of the world, for which we act as banker, recognise the benefits that flow from multilateral exchanges of the kind that Mr. Hoffman has in view." Britain had stated frequently that her aim was to restore a world-wide system of multilateral trade with convertible currencies and she had consistently sponsored measures to bring that about.
"Our future depends, we believe, upon our being able to achieve such a state of affairs," said the Chancellor. Britain had made it clear from the beginning that her task was to try to combine her responsibilities and interest as a leading member of the Commonwealth and of the sterling area with support for the development of unity in Europe. This was not an easy task, for it must be made clear that her relationship with the Commonwealth and sterling area was not a limited one but spread into North America, through her association with Canada, and into Asia, Africa and Australia - in which continent the foreign trade was predominantly carried through in sterling.

The Plan then tied up the OEEC discussions with the negotiations concerning the Council of Europe and connected the two problems

The meetings will at least provide an opportunity for woundings all round and for considering the interpretation to be placed on Article 5 of the Statute. This is the article which provides for associate members, entitled to seats in the Assembly but not in the Committee of Ministers. It was assumed to have been inserted for the benefit of Germany or other countries which might be in process of gaining or regaining full sovereignty and so could be expected to qualify at a later date for full membership. It is not clear what the eventual intentions of France are with regard to the semi-autonomous Saar, but the Saar Government has apparently been given reason to hope that, as in the case of Belgium and Luxembourg, economic Anachrones to France need not exclude political sovereignty. If that is the prospect, the Saar could presumably be received into the Council of Europe without distortion of the intention of the Charter or prejudice to the long-term interests of Germany.

In making its recommendations to the Ministers on the economic crisis the Assembly anticipated Mr. Hoffman's statement to the OEEC on Monday with a more ambitious programme. The basic idea is the single European market, and the Ministers are invited to take all preliminary steps for the establishment of a European economic union embracing all the member-countries of the Council and associated overseas territories. Convertibility of European currencies, machinery for the coordination of credit policy, liberalisation of trade, the free movement of labour, the coordination of transport, heavy industry and agricultural production, are all covered by the Assembly's programme. The Ministers will no doubt consider, or invite the OEEC to consider, what proposals deserve further examination, and how that is to be done without duplication of existing machinery.
The standing committee of the Assembly, of which Mr. Speak is president, will meet in Paris on November 7 to hear what the Ministers have had to say about the Assembly's recommendations and decide whether the extraordinary session contemplated for early next year to discuss the admission of Germany can usefully be had.

The pro-Labour tabloid Daily Graphic gave only very limited coverage to the Paris talks. On November 2 the paper wrote in part:

The Marshall Plan "Inner Cabinet" of Eight Ministers, meeting in Paris, had reached no agreement last night on how best to carry out Marshall Plan Chief Paul Hoffman's plea for a speedy integration of European economy.

It is believed that last-minute alterations and discussions held up agreement.

Two plans have been put forward. One is Sir Stafford Cripps's calling for lifting of at least half of quota restrictions on private trade among European Marshall aid nations.

The other is French Finance Minister Maurice Potsche's plan for free convertibility among themselves of all Marshall nations' currencies, and coordinating State investments.

The French are pressing for their plan to be accepted.

They accepted the principle of the "Cripps Plan" only after much hesitation.

The British Government takes the view it will mean greater sacrifices particularly by French agriculture, to meet it, and have proposed amendments to the British proposals.

Conservative and Independent London Presses on the other hand, showed an altogether positive attitude towards the recommendations made by Mr. Hoffman. The larger part of the articles consisted of quotations and summaries of Mr. Hoffman's speech itself, and in addition several papers made comments which were clearly indicative of their position.

The Daily Telegraph on November published a lengthy summary of the speech and supplemented this summary by an editorial under the heading "Warning and Request to Europe." It stated in part:

It may seem at first sight that Mr. Hoffman has confirmed his reputation for optimism by calling on the OEEC countries to have ready a "concrete plan" for their economic integration by early next year. Nevertheless, both this request and the warning implicit in it deserve the utmost possible response. Mr. Hoffman is properly au courant that the great experiment of Marshall Aid shall not fail. That means that the recipients must be able to cast away what Mr. Raynald has so oppositely
called their crutches" by 1953; and that meanwhile Congress must not be discouraged by the failure of a disarmament Western Europe, and its associates in other countries, to begin to knit its broken bones together.

There are two ways of dispensing with American aid. The first is to increase exports to the United States sufficiently and with sufficient permanency. The other is to find and to pool supplies alternatively to those now obtained from dollar sources. Probably, as Mr. Hoffman suggests, success lies in a combination of the two.

and ended by stressing that Europe will be hard put it to reach the goal by 1952 -1st alone next January. Of course, there is all the more reason not to delay first stage, and if Mr. Hoffman's speech yesterday was what the Americans call "getting tough", let us have more of such stimulating and constructive toughness.

The News Chronicle (liberal party) on the same day, supplemented its coverage of Mr. Hoffman's speech by an editorial headed "Unity Or Disaster" which stated in part

America spoke to Europe in the plainest terms when Mr. Paul Hoffman, head of the Marshall Aid organization, addressed Sir Stafford Cripps and other Finance Ministers of Western Europe at a meeting of OGEE in Paris yesterday.

There was no escaping the urgency of his message. The European Recovery Programme is now approaching the half-way mark. Good progress has been made by nations acting individually. Production has steadily increased, Inter-European trade has been stimulated. The dollar gap has been reduced.

It means that countries will have to plan a joint capital investment programme designed not to further the interests of one nation but all. It means that there must be a determined assault on all restrictions and quota limitations of trade. Britain has already taken the lead in this direction. It must be pursued relentlessly.

These are but the beginnings of a programme which would eventually touch the lives of every European, a programme which demands nothing less than revolution in the thinking of all our people. That revolution has hardly yet begun. The recent economic debate in Parliament took place with scarcely a mention of the theme with which Mr. Hoffman was so urgently concerned yesterday.
Unless we hasten ourselves very soon the grim alternative will be upon us. Either we pursue this business of unity in Europe as if we really meant it or else our living standards will fall catastrophically in a matter of two short years—with what dire consequences few would dare predict.

Lord Beaverbrook's Tory Daily Express reacted violently and totally as was to be expected. This journalistic mass-circulation daily continued its consistently anti-American line by heading its article on 1 November "Europe Given Eleven Weeks to Act" and said in part:

Britain and 10 other Marshall Aid nations are tonight puzzled and bewildered by a 1,500-word ultimatum to Europe from President Truman.

It gives them 11 weeks to draw up a master plan for economic unity in Western Europe.

And it hints that the U.S. will reconsider her aid policy unless a plan is produced and put into force "early in 1952."

The challenge was thrown down to the 11 in Paris today by Marshall boss Mr. Paul Hoffman. At the end came this quietly spoken phrase—

"The immediate goal, a solidly based prosperity for an economically unified Western Europe, President Truman reaffirmed to me just before I left Washington."

Hoffman justified his time-limit by stressing the urgency of the need. Failure, he said, would mean "disaster for nations and poverty for peoples." He demanded:

1. Really effective action to let trade flow freely;
2. A far-reaching programme to build in Western Europe a "dynamic, expanding economy", promising steady improvement in conditions for all its peoples.

Then came a plea for incentive. "Governments may exhort, but unless sales in dollar market bring adequate rewards to sellers, the great effort to enter and hold these markets will never be made," said Hoffman.

What Sir Stafford thought about this plea is not known. But Britain's viewpoint is said in Paris to be—

"We have done enough. Sir Stafford has put forward a plan to cut import quotas on half our trade with European countries. It is now for the rest of Europe to act."
Supporters of the French plan have gone into the background tonight. This is for a gradual extension of the Benelux system of economic unity to wider groups with the aim of bringing in all Western Europe.

But the major headache for the delegates is: How can we, in three months, get a scheme to satisfy ourselves and the Americans?

The Express Political Correspondent writes: Sir Stafford Cripps is promising nothing in the way of further commitments to Europe, and his reply to all proposals will be that he must talk them over with the Cabinet.

This applies particularly to suggestions that there should be full convertibility between Western European Marshall Plan currencies and the pound. Whitehall opinion is opposed to this.

The conservative papers followed generally the line of the Times and the Daily Telegraph, except that the Daily Mail stressed that Sir Stafford Cripps had expressed himself very cautiously on the prospects of achieving unified European trade.

Sir Stafford pointed out that Britain's existing Commonwealth commitments must come first. He added:

"Yet at the same time we regard ourselves as bound up with Western Europe, not only in economic terms but in political and strategic interests, but in our culture and indeed in our participation in the heritage of Christian civilisation."

"I feel that I know almost exactly what other countries feel about our British economy and incidentally about me, too... and I am glad of that frankness."

"What frankness is the only basis upon which we can build any real cooperation or integration."

"We have accomplished a good and sound beginning and now we must stride forward with bolder steps, swift though unhurried, to bring us further along our road of economic cooperation."

The Daily Mirror, which sometimes has a pro-labor slant, sounded much like The Daily Express when it used the banner headline "Cabinet To Meet On M-Aid Chief's Ultimatum" and stressed:

Immediately Sir Stafford Cripps returns from Paris the Cabinet will meet to consider the virtual ultimatum delivered to Western Europe yesterday by the Marshall Aid administrator. . . . Key phase in Mr. Hoffmann's speech was: "I made the considered request that you have ready early in 1950 a programme which will take Europe well along the road to economic integration . . . . So far as Britain is concerned, our reply is likely to be sharp and to the point.
Non-communist French papers generally seemed to derive a feeling of active participation from the fact that France was the first OEEC country to translate Mr. Hoffman's speech into a tangible proposal.

While governmental papers very much supported Mr. Hoffman's view and stressed that the French proposals would form the main basis of the European program of action for 1960, some papers gave a clear picture of the extent, and limitations of the liberalization program. On 2 November the conservative-independent Le Monde, after stressing the importance of the French proposals in its headlines, outlined the project.

**Liberalization of trade?** Let us remind the reader that the plan is that every OEEC country shall abolish, before 15 December, at least 50% of its quotas for imports of raw materials, agricultural products, manufactured goods, from the other participating countries than as a whole.

Let us specify that this "liberalization" does not mean the abolition of customs tariffs; hence these tariffs are maintained or even re-established if need be. Moreover it deals only with private trade in each country; state trade is not affected and escapes liberalization. We have also noted that some countries have decided not to extend all the benefit of the suggested measures to all their trade partners.

Rene Debretat, the author of this article concluded with a plea for economic unification and for particular efforts on the part of France.

In taking the initiative on these proposals, France asserts her will to play her part, fully, in a Europe which is being gradually relieved of the burden of controls resulting from the war. France will succeed only if she gives the example of political, economic, and financial stability to the other countries.

The autocrat De Nation-la Faye generally took a positive attitude but mentioned the fact that OEEC had apparently taken too much upon itself, hence the present difficulties. It also said, two days before the new proposals were adopted, that the British representatives were finding more and more difficulties in understanding Hoffman's suggestions, too ambitious and disagreeing with the other nations.

The leftist-independent France-Temps took a very sceptical view of the negotiations going on in the Luxembourg. In speaking of Mr. Hoffman's speech the paper used the heading "The New 'Tales Of Hoffman',' and on 3 November summed up its view of the whole meeting by saying that the OEEC had given up its real plan of unifying Europe, but that an intermediate Europe is being prepared in the Ruhr."

The strongly leftist Combat did not actually attack the negotiations but it expressed its strong scepticism by saying that after the OEEC had decided to unify Europe it was now leaving the real task to much problematic and theoretical creation as Fratania.
Paris press coverage for the whole period of 26 October to 3 November was at least one article per day in each of the major dailies. This fact was all the more significant as during the first few days M. Marcel Cerdan's death was still very much in the headlines and left comparatively little space for world affairs in general. Mr. Hoffman's speech itself was generally summarized along with some comment; the attitude taken by the papers involved could be clearly seen from the headlines. They were:

**Combat ( leftist-independent )**
10-28-49: Opening Of The OEEC Conference. France Will Propose The Liberal Continental Union Asked For By The U.S.
10-29-49: Before Hoffman's Speech At The OEEC Peteshe And Van Zeeland Present Even Stronger Bid For Freetrade.
10-31-49: Before The "Ministere" Of The OEEC, Sir Stafford Cripps Proposes The "Liberalization Of 50% Of European Trade." Mr. Hoffman Has Not Mr. Van Zeeland And Sir Stafford Cripps.
11-1-49: Mr. Hoffman Asks For Unification Of Europe. The "18" Of The OEEC Will Vote Their Support This Evening.
11-3-49: After Having Agreed In Principal Of Return Of Free Trade The OEEC Leaves It To Pritilax, Decision Of The "18"

**La Poubelle ( socialist )**
10-29-49: The Order Of The Day Of The Consultative Group Of OEEC Called Liberalization Of European Commerce And The Irish Proposition In Favor Of A "New Deal".
11-1-49: The Council Of The OEEC Will Today Examine The Suggestion Of Mr. Hoffman After The British And French Proposion On The Liberalization Of Trade Important Progress Seems To Have Been Realized.
11-2-49: France Accepts The Liberation Of 50% Of Its Trade Until Now The Eight Ministers Of The OEEC Have Not Reached An Agreement.
11-3-49: The Council Of The OEEC Has Adopted A General Resolution With These Principal Points: 1. The Liberation Of 50% Of Trade. 2. The Recognition Of Regional Unions. 3. The Necessity Of Coordination Of Economic And Financial Policies.

10-29-49: Mr. Pethoe Will Underline The Necessity Of Intensifying The Liberation Of Inter-European Trade And Of Accelerating The Free Convertibility Of Currencies.

10-31-49: The Countries Of Europe At The Cross Roads. Units Economically And Financially... Or What?

11-1-49: Mr. Paul Hoffman Asks The Countries Of Western Europe To Realize Their Economic Union While As Reduce The Necessary Conditions. The Chance Of Western Germany In Written In That Of Organized Europe. Will They Liberate The Tariff Barriers On 50% Of Continental Trade?

11-2-49: Mr. Pethoe Has Amended The Cripps Project On The Liberation Of Trade. Mr. Robert Schuman Proclaims The Total Adherence Of France To The Principles Of Mr. Hoffman.

11-3-49: Favorable To The Unification Of The European Market The OEEC Decides: (1) To Liberate Between Now And The 15th December 50% Of Private Trade. (2) To Study The Suppression Of The Practice Of Double Prisons. (3) To Encourage Regional Economic Agreements.

La Partie Inferieure (right of center—pro de Gaulle)

10-28-49: Meeting Of The 8th At La Motte... And To Save The Marshall Plan France Would Like To Attach The OEEC To The Council Of Europe.

10-29-49: Blockout At The Chateau De La Motte And The Right Of The OEEC Held Their First Meeting In Secret.

10-31-49: The Work Of The OEEC In The Chateau De La Motte. France And England Have Agreed To Liberate 50% Of Their Exports.


11-2-49: No Result Yesterday... In The Conference Of The OEEC At The Chateau De La Motte.

11-3-49: Final Meeting At The Chateau De La Motte. The "Mountain Of The OEEC Has Given Birth To A House". The "17" Of The Marshall Aid. 1. Recommend Liberalization 50% Of The Exchange In Private Trade. 2. Vote Noble Resolutions On The Economic Unity Of Europe.
La Figaro (rightist-independent)

10-29-49: Disappointed by the Apathy of the Beneficiaries of the Marshall Plan, the American Leaders Have Given Mr. Hoffman Firm Mandates.

10-30-49: At the Chateau de La Musette the Consultation Council of the OEEC yesterday tackled the problem of the liberalization of trade. Indispensable step towards the economic unity of Europe.

10-31-49: Sir Stafford Cripps has proposed to the Consultative Group of the OEEC the immediate liberalization of 20% of trade.


11-2-49: Yesterday before the Council of the OEEC Mr. Robert Schuman proposed the French project of regional unions. After Sir Stafford Cripps had previously given the British plan.

11-3-49: The Plan for the Rebuilding of Western Europe is adopted by the OEEC. Liberalization of trade necessitates regional union.

La Matina (conservative)


10-29-49: The Crisis of Europe. The meetings of the Chateau de La Musette. The countries of the OEEC are trying to liberate their commercial exchanges.

10-30-49: Mr. Petache is partisan of a progressive return to liberty of trade and payments.

11-1-49: No Paper

11-2-49: French Proposals Form Basis Of The Program Of Action For 1950; And The Member States Are Invited To "Liberate" 50% Of Their Private Imports.

11-3-49: No more Papers Available.
Franco-Tiroux (leftist-independent)

29-10-49: At La Huette The OEEC Is In The Saddle Of A Sick Europe. Hoffman Looks Forward To A Horse Remedy.

10-31-49: At La Huette Mr. Petache Accepts The Liberation Of Half Of French Commerce With Western Europe.

11-1-49: At La Huette, Official Return Of Germany. Mr. Hoffman Proposes A Plan Of "Life-Saving".


L'Aube (catholic-MRP)

10-28-49: Integrate Europe, Number One Problem For OEEC Consultative Group Meeting In Paris Today.

10-29/30-49: Petache Submits French Memorandum On Freeing Of Trade To OEEC Today.

10-31-49: Sir Stafford Cripps To Propose To OEEC Council Freeing Of 50% Of European Trade As From 15 December. France Said To Favor This Project But To Demand Also A Real Organization And Coordination Of European Economy.

11-1-49: Hoffman Proposed 5 Point Plan To Save Europe From "Disaster And Distress."

11-2-49: At The OEEC France Accepts Sir Stafford Cripps's Proposals.

11-3-49: Eighteen OEEC Countries To Lift 50% Of Import Restrictions On 15 December. They Have Defined A Program Of Action.

L'Epoque (extra-right)


10-29/30-49: Mr. Maurice Petache Has Submitted To OEEC A Memorandum On Freeing European Trade.

10-31-49: A Headline For Europe, OEEC's Big Eight Have Adopted The Project Of Liberalization Of Trade. Mr. Hoffman States The United States Has No Intention Of Using Teacher Policy.


On Matin-le Paga (German)


10-31-49: Today In The Council Of The OEEC Mr. Hoffman Announces Europe To Coordinate Its Efforts.


11-2-49: England Finds The Projects Of Hoffman And Petain Too Ambitious; Disagrees With The OEEC. All Decisions Left For Today.

11-3-49: The End Of The Session At La Muette; The Eighteen Free 50% Of Private Trade In Europe. The OEEC Announcing A European Union In One Step; Looks Forward To Original Agreements.

Most Swiss newspapers emphasized European unification rather than the purely economic aspects of Mr. Hoffman's speech in their banner headlines. The independent, liberal, left-of-center, National Zeitung in its edition of 1 November carried on the front page a banner headline "Mr. Hoffman Appeals TO THE MARSHALL PLAN COUNTRIES". On the second page the paper published a twelve-inch article under the heading "WESTERN EUROPE'S ECONOMIC SALVATION IS DEPENDANT UPON UNIFICATION, STATES PAUL HOFFMAN". It stated in part:

Paul Hoffman, the Administrator of the Marshall Plan, stated that Europe's trade with the United States in June 1952 would have to be balanced on such a low level that it would result in a catastrophe in Europe and in difficulty for the United States unless Europe's dollar earnings undergo a dramatic increase before that deadline.
The paper then went on to say that Mr. Hoffman stressed that devaluation alone was not sufficient and that the economic salvation of Western Europe could only be achieved by unification. It continued by quoting Mr. Hoffman's five suggestions for such unification and concluded:

Mr. Hoffman said that beyond the immediate aim, there was hope for a lasting peace based on justice and freedom. This hope could be realized, he said, if the peoples of the Free World continue to cooperate and to stick together.

The same paper in its afternoon edition of the previous day, referred to Mr. Hoffman's radio address made before he left the United States in an eight-inch article headed "HOFFMAN DEMANDES HISTORIQUE ECONOMIQUE DES PAYS DE L'EUROPE OCCIDENTALE". In this article, the paper stressed that Mr. Hoffman had said the first stage of reconstruction had been concluded and that the main problem now is to help Europe to increase her dollar earnings. He said that Europe would have to increase her productivity and to make her sales in the United States more competitive so as to be in a position to pay for the merchandise she must purchase from the United States.

The Neue Zürcher Zeitung (Independent-Right) devoted its entire front page on November 1 to coverage of Mr. Hoffman's OEEC address. The lead article was headed "HOFFMAN ON EUROPE'S ECONOMIC FUTURE: "THE SPEECH OF THE ADMINISTRATOR OF THE OEEC". Like other Swiss papers, the Neue Zürcher Zeitung devoted a long section to Mr. Hoffman's reference to the representatives of the Western Zones of Germany and summarized the answer in which the Chief of the German delegation, Vice-Chancellor Franz Slucher, thanked the Administrator. The paper did not offer, however, any comment on Mr. Hoffman's speech, and neither was the subject dealt with in the editorial pages.

The French-language, conservative, Geneva paper "Journal de Genève" did not mention Mr. Hoffman's speech at all on Tuesday, 1 November.

In Sweden Mr. Hoffman's OEEC speech was prominently featured. Dagom Nylander and Svenn Ranklind carried lengthy reports from their Paris correspondents in which they stressed the fact that Mr. Hoffman's speech did not contain any of the anticipated "threats" or "ultimatums" but only friendly "fatherly advice" to the EEC countries to consolidate their economies. They reported that Mr. Hoffman had not been aggressive to take sides but had been rather inclined to play the part of a mediator in the Franco-British strife within the OEEC. These correspondents also showed their belief that Mr. Hoffman hoped that OEEC would be able to supply him with sound arguments for the end of next year.
On the other hand, Stockholm Tidningen (Liberal Party) based its article on the Reuters dispatch and branded the speech as "almost tantamount to an ultimatum." The new headlines were "U.S.A. Insist that Europe must become Economic Unit."

Norsk Tidningen (Social Democrat) featured the AP version and stressed "U.S. insistence on European Economic Coordination." The article said that Mr. Hoffman had presented his conditions for the continuance of aid to Europe.

The other Scandinavian countries also gave very extensive coverage to Mr. Hoffman’s speech with particular emphasis on editorial comment. As in Sweden, the Norwegian press was divided as to the degree of endorsement it gave to the way Mr. Hoffman had expressed himself. The conservative Aftenposten on Nov.1 said that Mr. Hoffman’s speech meant that the U.S. had chosen between the "two fundamentally different views of trade intercourse in Europe"—choosing the viewpoint of the French, to which Italy and Belgium adhere. (The other view is that of the British, with support from the Scandinavian countries and in part from Holland; where the Social-Democrats "hold the reins of office and have the responsibility for the home and external budget"). The French-Italian-Belgian view is called "a sort of Conservative Centre line."

Stating that Mr. Hoffman "has the support of all the Marshall countries, and perhaps also of the new member, West Germany, in this view" (previously stated at the absolute necessity to create co-ordinated lines for the trade, economy and currency development of the whole of West Europe") the editorial concluded

Thus the United States has now decisively intervened so vigorously in the affairs of the individual West European States as Hoffman’s speech forbids, can only be interpreted as an attempt to create the unity which all the countries in West Europe agree is indispensable to a happy result.

Another conservative Oslo paper Aftensposten on 3 November said

...it is no nice way of having the program served — as a kind of American ultimatum.

But it is not the Americans who have made the program. If we read through Hoffman’s speech we will find that it covers the economic program drawn up by the European delegates in Strasbourg, and which they recommend of the ministerial committee to implement. As far as we can see, Hoffman’s speech that it is no attempt to force American ideas upon Europe, but it reflects American insistance at Europe failing to implement its own ideas of European cooperation.
We can understand their impatience. But Americans should also understand that a large, free European market not only offers new prospects of increased activity, but that it raises serious economic and social problems for people who for generations have built up their economic activity behind protected national borders.

The independent-conservative **Venezia Gang**, on the other hand, headed its article "Good Advice from Paris" and said in part...

...at the meeting of the Ministers' Council for the Marshall plan... when Hoffman put forward the plan which the participating countries ought to follow, if they are to reach the goal of equilibrium in 1952.

The Irish press gave comparatively little coverage to Mr. Hoffman's speech itself, but they particularly stressed the suggestion made by the Irish Minister for External Affairs for a meeting between the OEEC representatives and representatives of the United States with the aim of bringing about what he calls "American-European New Deal".

**The Cork Examiner** on 28 October headed its article "Crucial Meeting of OEEC, 'Organization on Trial'."

In Italy as well Mr. Hoffman's speech and the OEEC negotiations enjoyed considerable coverage. On 1 November the News paper **Il Tempo** (right) said:

Mr. Hoffman's speech was not in the nature of a brutal ultimatum as some feared (American diplomacy is improving in outward form as well, and aims at avoiding a repetition of recent errors).

The dilemma put forward by Mr. Hoffman is clear: either the economic union of Europe or a regime of national self-sufficiency policies. The latter do not meet with U.S. approval while the former will have its entire support and encouragement.

The most interesting part of Mr. Hoffman's speech is that suggesting regional unity as a first step toward continental unity, stressing that the former will in no way prejudice the latter.

On the same day the most widely read Italian paper **Corriere della Sera** (moderate right) stated:

Mr. Hoffman's speech was very comforting. Instead of the expected criticism he warmly appealed to Europe to unite, giving formal assurance of American support toward this end.

Mr. Hoffman did not impose any time restrictions but declared he was speaking as Europe's friend.
All European countries are firmly decided to take steps toward the liberalization of exchanges but wish to proceed prudently avoiding any hasty moves which might prove dangerous.

Mr. Hoffman appears to be fully aware of the difficulties which stand in the way of a rapid creation of a single vast European market.

The three main points of Mr. Hoffman's speech are: abolition of customs barriers; control of surpluses; creation of a vast single European market.

On the other hand La Stampa (Liberal) expressed indirect criticism of Great Britain's position when it said:

Some skeptically point out that European economic unity (integration as Mr. Hoffman calls it) cannot solve the dollar scarcity problem overnight. European unity will not allow for a rapid reduction of production costs which is indispensable if we are to compete successfully with American industries.

Britain has subtly proposed to abolish restrictions on half the quotas of goods exchanged between EEC countries. This, however, affects only private exchanges and not government-controlled quotas and is entirely in Great Britain's favor as their country's exchanges are for the greater part controlled by the Government. Britain, besides, does not wish to extend such facilities to her three main competitors, Germany, Belgium and Switzerland.

It should also be remembered that now, quite quietly, Germany is once more an active member of the European Community.

The socialist Avanti on the same day said:

Observers consider Hoffman's declarations as the clearest proof of American imperialistic aims on Western Europe and believe that the step taken today by America marks the transition period between the tactics of destroying the victim one by one and the total and complete destruction of Western European economies which have already been undermined by ERP aid and by relentless American competition, as well as by currency devaluations imposed by Washington...
many countries, stressing besides that manpower should be included among exchangeable goods.

In speech said

Italy cannot proceed to the practical application of the liberalization of exchanges until next spring when our new customs tariff will become effective. In fact if half the exchanges must be abolished and customs protection should also be lacking, our country would be open to all traffics on the part of other nations. The Italian reserve was therefore essential.

The first result achieved by OEEC is certainly important but it is rather a step backward to the pre-1929 crisis situation, than a step forward. We must now press in the direction pointed out by America and stressed now by Mr. Hoffman yesterday, in order to solve the fundamental European problem. England has put forward many difficulties due to her connections with other countries of the British commonwealth, these however must not be allowed to stand in the way of European unity, with or without Britain such a unity must be achieved.

On 3 and 4 November, however, the situation had cleared up sufficiently from the Italian viewpoint, so that Carriera dalla Sega

...the OEEC which appeared to be on the point of failure has picked up considerably. It was feared that America would criticize and that Britain would abandon Europe. Neither one nor the other occurred. America has brought OEEC, namely Europe, the comfort of its trust and its help, even if conditioned by some essential premises, which are however clear and well defined. Britain has entered actively into European community even if causing some anxiety by her unexpected speed and in supporting economic freedom. Britain has in fact preferred to support OEEC than allow the Strasbourg European parliament from making headway, which it would have, had OEEC failed.

It was necessary to take Mr. Hoffman's warnings to heart and OEEC could not, under pain of admitting defeat postpone any longer the decision in favor of a liberalization of exchanges which is an indispensable prelude to European unity.

Questioned as to Mr. Hoffman's final declaration Mr. Tremelloni said: "Perhaps Europeans and among them Italians, do not fully realize the danger which overhang the standard of living owing to a persistant dollar scarcity. This year, Europe and consequently Italy can carry on with relative tranquillity only because America provides aid under different forms for the value of 4 billion dollars which could not be obtained otherwise. Mr. Hoffman referred to this problem, stressing it almost with anguish. It is clear that America wants a strong Europe, and as Mr. Hoffman said, will only be able
to help us if we help ourselves in the aim of reducing as rapidly as possible the necessity for help and substitute the same with a larger co-operation on a world wide scale.

To achieve this, liberalization is an essential instrument. There are risks, of course, but what is the alternative? Disaster. Therefore the necessity of abandoning a "wait and see policy" in all fields, and take action valiantly.

The socialist Avanti endorsed this view...

...The Marshall Plan funds have served more as a general remedy to balance the budgets of the countries than as a means to develop industry...The Americans have already paid out 6 billion dollars to subsidize European economy; they are tired of the present fiscal pressure; they ask that a past unique European market be organised, with this end in view they have advocated the liberalization of exchanges between European countries... What does that word "liberalization" mean? To liberalise exchanges, besides abolishing restrictions preventing goods from being freely exchanged, also means to level production costs of all European industries. Now, all Italian production costs are notoriously higher than those of other participating countries, they will have to be reduced so that our industries may stand foreign competition... Reducions of production costs which could have been achieved through a better utilisation of ERP dollars, can only be obtained through an intensified mass dismissals campaign and through wages reductions... Which means that through the initial error of not having achieved industrial reorganisation with ERP dollars and through the present error of the unconditioned compliance to American pressures, the De Gasperi Government let fall on the country and indirectly on the workers the weight of a disastrous economic policy.

In Portugal Mr. Hoffman’s speech was summarised by nine out of the eleven major daily papers along with favorable comment. The Diario Corporate, the biggest Lisbon daily, and the Journal de Commerce (economic journal) were particularly active in publishing long, favorable editorial comment on Mr. Hoffman’s speech.

In Turkey, the French language Istanbul paper Le Republicain printed a dispatch from Paris on the GESC discussion and headed it "The Meeting of the GESC-Mr. Hoffman asks Marshall Plan Countries to Form One Unified Economic Entity."

In Ankara papers quoted Turkish Foreign Minister Sadak as having made a statement in Paris to the effect that he was hopeful about the discussion on European unification.

Like all the others, the Benelux countries devoted considerable coverage to the discussions. The most characteristic feature of the articles in the Benelux however was the large extent to which these
papers tied the OEEC talks in with European integration in general.

A typical article appeared in the Dutch (independent-labor) on
November 2 when this paper just as had been reported with regard to certain
Italian papers (such as La Stampa) - expressed criticism with regard to
the position taken by Great Britain in an article under the heading
"Divided Europe"

There is once again long and detailed talk over the necessity
of greater European unity. In Paris the OEEC has already
commenced its conferences within the framework of the Marshall
Plan, while shortly afterwards the Ministers of the Western
European Union and the members of the Council of Europe will
consider the questions of unity and harmony.

This frequently lauded European unity is otherwise not going
too well. France and Great Britain cannot agree with each
other since the British developed sterling after consultation
with Washington without informing their European partners.
The French are asking themselves what value the Entente
Cordiale and the Treaty of Dunkirk now have. They will even
go so far as to try European cooperation without the British
for they no longer know what their allies on the other side
of the Channel want. Fortunately, the British Minister
Cripps has now relieved the situation by stating how far his
country will participate in European Economic Cooperation.

He said that Great Britain, as the leader of the Commonwealth
and of the sterling area, cannot participate in European
Cooperation to the full but that it will affect all cooperation
insofar as it is not in conflict with this leadership.

This has made it quite clear that Great Britain will not or
cannot cooperate in an extensive European unity; will on the
one hand hold aloof and on the other will act as a sort of
supervising guardian. It also means that in this way very
little can, for the time being, come of a united Europe,
for this will acquire an entirely different aspect from that
which one has so far pictured. And what does Great Britain
propose to do? A union with the USA perhaps?

The same British reticence towards the European continent is
manifest not only in the economic field but also in the
political field. The British Government regards the Western
European Union as a military and political treaty which does
not go beyond certain fixed bounds of cooperation. The
Council of Europe is nothing more than a European super-Parliament
in which unity can be discussed but in which it may not be
realized. In all Western European organizations Great Britain
has, in this way, a finger in the pie, but it does not desire
closer cooperation and will, in any case, not yet participate
in it.

It is impossible that Great Britain can ultimately hold aloft
from Europe in their political and military sphere. The
Continent of Europe and England are too closely linked together.

That is, after all, "splendid isolation" behind the North
Sea and the Channel in a time of jet-propelled aircraft and heavy bombers? But then again, what is Europe without Great Britain? Therefore, it is of the greatest importance that France and Great Britain should come to an agreement whereby neither of the two countries should have priority over the other, but in which they really go together.

At present there is no country that has the lead in the attempt to bring about European cooperation and unity unless it is America. But the British must bear in mind that if they will not cooperate in this attempt, unity will nevertheless come about and they will ultimately want to participate after all. But who, then, shall have the lead, the French or the Germans? Or who knows, both?

Other Dutch papers gave prominent coverage to the point made by Mr. Hoffman when he pressed for an immediate action. On 2 November, the Amsterdam paper De Telegraaf (Liberal-Catholic) headed its article "1952 In Now".

All the major papers in Austria and Western Germany also gave prominent featuring to the talks with specific references to the presence of their own delegations.

Greek papers had little space left for anything except the discussions at the United Nations political committee on the Greek issue. Hence Greece was one country where the Paris OSCE discussions did not enjoy much coverage. Some papers did refer to the new project of Fritslux without offering, however, much comment.
EDITORIAL COMMENT AFTER THE NEGOTIATIONS

Once the negotiations in the Chateau de la Muette had been concluded and actual news interest in the talks ended in Mr. Hoffman's speech had abated, the coverage of the negotiations and of the problems involved therein shifted to the editorial pages of the European press. This change in the approach was expressed not only by the actual location of the articles but also by the fact that the writers no longer dealt with the wording of Mr. Hoffman's speech and the development of the OEEC negotiations but with the problems arising from the talks. The first result was that the European press debated the question of whether European integration would be possible at all to the degree outlined by Mr. Hoffman and by OEEC. The second question was: What would be the means of achieving such unification and what would be the obstacles? It was only several days after the actual conclusion of the negotiations that editorialists in European papers came up with what they saw as the crucial question: would a complete economic integration or Europe solve Europe's problems in the field of hard currency and trade balance?

Although non-communist European papers generally gave wholehearted support to economic integration, many of them agreed with the French daily Le Figaro (rightist-independent) in which the well-known economic editorialist Raymond Aron stated that desirable though European union may be, it does not constitute in itself a universal cure for all the deficiencies in Europe's economy. Mr. Aron and many other European editorialists along with him stressed that even if all trade and customs barriers had vanished, Europe as a whole would still have to face an adverse trade balance and the need to import from non-European sources raw material and equipment for several billion dollars.

This conclusion in turn led many of the serious and analytical European papers to raise the question of what other means and chances Europe has of solving her economic difficulties.

Most of the papers held that increased productivity as advocated by Mr. Hoffman and by many of the leading European statesmen would have to be given first priority. Many papers also mentioned the fact that European export methods would have to undergo certain changes and that proper market research might in some cases go a long way.

Several European papers also mentioned the desirability and the need for American customs tariffs to be cut. An interesting article appeared on 3 November in the French leftist-independent daily France-Soir which expressed its approval of plans for increased productivity but said at the same time that this increase must come about without new waves of unemployment.
In the introduction the author, Jean Roux, said that everybody agreed that the workers' purchasing power had to be increased and that productivity doubtless would have to be stepped up. He also said that French productivity was clearly inadequate and that in 1948 an American worker produced five times more than the average French worker. He continued that this increase in productivity should not simply result in higher profits for the companies but should be translated into a raising of the standard of living of those who would carry the main burden of this additional effort.

On the whole it may be said that once the discussions were concluded — and the press of the individual countries did no longer seem to feel the need to defend and stress the country's specific position on a nationalism level — the approach to the problems raised by Mr. Hoffmeister was generally sincere and favorable as far as the desirability of economic integration was concerned. Large sections of the European press expressed optimism with regard to the immediate chances of such projects but they all shared a cooperative attitude in that they raised the public's interest in projects of a more regional nature which, at any rate, would have to be the first step toward general European union. Although such projects as Pitarlux were regarded, at the beginning, very ironically even by sections, government-supporting French papers, they are now earnestly taken up even by papers generally criticising the French government. This attitude is found throughout the rest of the European press.
COMMENTS IN THE COMMUNIST PRESS

The Cominform propagandists throughout Europe showed once again that regardless of the country in which they may be printed, the lines they use in their attacks never vary. In France the leading communist paper L'Humanité charged on 26 October that the OEEC meeting was starting "what a crisis of the Marshall Plan". The next day the paper headed its article with a question mark: "Does OEEC Council Meeting Monday Prepare New Monetary Manipulation? Crisis of Capitalism?"

On the next day the paper changed key and attacked the OEEC meeting on the grounds that the "West Reich" had officially joined this "so-called European" organization. On the 1 November the headings were "Mr. Hoffmann to OEEC Ministers: Open your borders All the Way to American Competition. Mr. Petische and Mr. Schuman say Okay. No More Bolivar Unions...."

On 2 November the paper was even more violent in its article. It charged that the substance of Mr. Robert Schuman's statement had been that French government was ready to take the chances of increasing unemployment in France and of provoking the collapse of certain national industries. The paper elaborated on this charge on 3 November when it reported the end of the OEEC meeting and said that as a result of the threats made by Mr. Hoffmann a program of "Crisis, Unemployment and Colonial Banditry" had been adopted. The crypto-communist paper Liberation followed the same lines although its tone was less violent than Humanite's. On 26 October, it said sarcastically "Mr. Hoffmann Is Going to Save the Europeans With Marshall Credit? If You Don't Form Economic Groups". On 29 October it said "Mr. Hoffmann's Prophesies" and on 31 October it went on to imply the American predominance by the heading "Mr. Hoffmann Will Make the Voice of America Heard". On 3 November the paper reported that the Administrator of the Marshall Plan had instructed the ministers of "OEEC to Hurry Up and Form a European Economic Union". The next day Liberation reported on British press reactions to Mr. Hoffmann's statement and said that the Council of Ministers had adopted the British proposal on the liberation of "50% of European Trade". On 3 November the heading of its article was "OEEC Attempts to Create a Zone of Free Trade."

In Sweden the communist daily Nyuilder carried the Reuter report on Mr. Hoffmann's speech with a violently hostile comment and under the heading "Dalsland Takes over Hitler's New Order 'Plan for Europe'. In Norway the communist Frederik and in Denmark Land og Folk carried similar articles.

In Great Britain on 3 November the Daily Worker stated that Mr. Hoffmann's speech constituted "New Orders from the USA" and drew the conclusion..."
The closer unity of Western Europe, the creation of a West European bank, are all measures designed to help U.S. big business to exploit Europe and its colonies.

Churchill and the Labour Party singletons who support Western Union believe that closer unity in Western Europe would enable them to be more independent of U.S. and more able to shamelessly exploit the colonial world.

U.S. big business does not believe this. Economic unity in Western Europe will, it believes, increase the opportunities of U.S. capitalism as the strongest capitalist Power for exploiting both West Europe and its colonies.

The Rome communist paper L'Unita said on 1 November:

"Hoffman's Alternative West: Either Chances to his "dictat" or no Dollars"

"...His speech was diplomatically moderate in the words, but not sufficiently so as to hide, behind too evident allusions, the sharp accents of the "dictat". The usual compliments were brief and immediately followed by American demands.

"..."A single market" has been for some time a Wall Street slogan. Wall Street's movements of capitals and goods on surviving European frontiers are hampered. Hoffman advocated "a zone of free exchanges including 270 million consumers"; with the crisis the United States is now undergoing, this is a colonial outlet that Washington cannot neglect...."

"...The ERP supreme's Administrator also pointed out the systems to be followed to achieve the objectives he laid out and the deadline for carrying out the project... threats in case of non compliance are the classical handuffs... either to accept the "dictat" or no dollars..."

and its fellow Travels L'Espresso said on the same day:

"...To avoid such a disaster (namely failure on the part of 18 ERP participating countries to agree in creating an economic system capable of satisfying the needs of 270 million consumers in Western Europe who should prepare to face 1959) which would involve American economy regarding its export possibilities Hoffman set forth his proposals consisting of four main points.

"...Hoffman also announced that henceforth American aid will be bestowed according to "merits" rather than actual requirements of the single ERP participating countries. It is not difficult to foresee what such "merits" will be, they will be judged exclusively by the U.S. Government...."
In Belgium the communist paper *Le Tournois Rouge* tried to minimize the importance of the talks at the Château de la Muette by stressing that "the military expenses of the Marshallized countries are higher than the amount of American 'aid'." On the same day this paper also charged that Mr. Spark was making inhuman efforts on behalf of the so-called European Union which in reality was an American war method. On the same page the paper reported on considerable British opposition to European customs union as "demanded" by the United States. On 30 November the same paper accused Mr. Hoffmann of rejoicing over the fact that the Belgian people were encountering difficulties.

The propaganda lines used by the communist mouthpieces in other European countries differed only in an insignificant way from those reported above.