

they will almost certainly try to raise interest rates. Their argument will be that with bonds paying high interest, the public will take them off the hands of the banks. Numerous groups are being organized in this country to get a more "satisfactory" rate of interest on government bonds, and a Republican Administration can hardly be expected to resist such pressure. Mr. Dalton has had to put up a vigorous fight to keep the long-term rate of interest in Great Britain at 2½ per cent. Here the high-interest groups are better organized than in England, and they do not have to contend with a Socialist government. It is well for all of us to remember that a rise in the rate of interest of 1 per cent will increase the cost of the debt by about \$2½ billion per year—as much as a rise of debt of \$135 billion.

In short, we should fight all attempts to cut taxes *now*, to increase interest rates, or, in general, to set up a debt-reduction plan for the next fifty years to be carried out regardless of what the economy requires. The Republicans may talk also of reducing expenditures as a means of lowering debt, but unfortunately the area in which expenditures can be pared is very small. Savings on non-recurrent expenditures and some cutting of the military departments will bring the 1947-48 total below that of

1946-47; but to say that the budget can be reduced below \$30 billion is nonsense. Of the proposed budget (1947-48) of \$37.5 billion, \$29.1 billion go to war and defense, veterans, interest on the debt, international affairs and finance, and tax refunds. How much can be cut from the remaining \$8.4 billion? Very little in my opinion. And with their imperialistic leanings and their strong fears of Russia, are the Republicans likely to cut military expenditures to the extent suggested at one time by Senator Taft? A reduction of taxes by \$3 billion to \$4 billion will probably mean a corresponding failure to cut debt. The supposed gain from continuation of the excise taxes (\$1.1 billion) is a gain in the sense that I can consider myself better off by \$100 because I did not buy a suit which I never really intended to buy.

The Republican record is bad. They learn slowly. The ABC of fiscal policy which the Democratic Administration learned in the thirties has never been acquired by the Republican leaders. They are apparently not interested in the effects of government activity on the private sector of the economy. For a hundred years their fiscal policies have tended to be perverse—to accentuate both booms and depressions. Their plans for 1947 follow the same pattern.

Death of Empire in the Pacific

BY MAXWELL S. STEWART

THE peoples of Southeast Asia are pushing irresistibly toward freedom from their colonial bonds. Indo-China has been aflame with strife between the French and the Viet Nam Republic. Negotiations at London have just settled the terms by which Burma is to gain its independence. Malaysians are vigorously protesting against the constitution offered to them by the British. In Indonesia there is controversy over the plan for autonomy which has already been ratified by the Netherlands government—amid a fresh outbreak of fighting between the nationalists and the Dutch.

Although each of the three great colonial powers is striving separately to salvage as much as it can of the advantages it formerly enjoyed, the struggle for freedom in Indo-China, Burma, Malaya, and Indonesia is essentially one struggle. Ethnically and culturally the peoples of all four lands are closely related. It is an accident of history that they have been parts of three different empires. Their common fate in falling under Japanese occupation stirred up the nationalist ferment that even before the war was present in each area in varying stages of development. Also common to all has been the presence of an aggressive Communist minority which has

sought to turn the nationalist agitation into hostility to the West.

An interesting similarity of pattern exists, too, in the measures adopted by the colonial powers to keep as much as possible of the fruits of empire. The British have sought to apply, with the flexibility demanded by varying local conditions, the formula of autonomy within the framework of the empire which they have found so successful with the dominions. The French and the Dutch have quite obviously borrowed the British formula. Although both have shown qualms about using force to retain their imperial advantages, they have not failed to take advantage of any improvement in their bargaining position that has been achieved by their arms.

The broad issues of the colonial peoples' struggle for freedom are reasonably well understood in this country. But inadequate and incompetent day-to-day reporting of events in the press has led to much confusion regarding the immediate situation in each country. Reports of a "final" agreement settling all outstanding questions have too often been followed by stories of renewed fighting, without any explanation being given for the sudden change. It must be admitted that the facts have often

been obscure and difficult to ascertain. Both in Indo-China and in Indonesia headquarters of the nationalist forces have been located in relatively inaccessible spots, and correspondents have been inclined to depend on French and Dutch handouts.

THE VIET NAM REPUBLIC

If we rely solely on dispatches screened through Hanoi or Paris, the current uprising in Indo-China appears capricious and unreasonable. On the surface there seemed to be no reason for the Viet Nam Republic to go back on the agreement of March 6, which recognized its independence within the French Union. Nor have official French statements clarified the picture. Jean Roger Sainteny, Acting French High Commissioner, termed the insurrection the work of an active minority in the Viet Minh (League for the Independence of Viet Nam) which has unscrupulously manipulated the "politically amorphous and ignorant majority." He declared that he did not know whether Ho Chi Minh, President of the Viet Nam Republic, was "an instigator, an accomplice, or a dupe in the conspiracy against France." More recently the French have sought to give the impression that the revolt was Moscow-inspired.

These sensational charges were designed to obscure the basic issues in the dispute between the French and the Viet Nameese. Although the March 6 agreement, signed under the guns of the French fleet, recognized the Viet Nam Republic as a free state with its own government, parliament, army, and finances, it left its composition indefinite. The wording of the agreement implied that the new state would include Tongking, Annam, and Cochin China, provided these states indicated their acquiescence by referendum. Cambodia and Laos, which are sparsely populated and little developed, were to have a degree of local autonomy but remain linked to France in matters of foreign policy. The rich Moi plateau was to be placed under a special commissariat which would assure the dominance of French economic interests. At the time the French were apparently reconciled to this arrangement. A few weeks later, however, French policy suddenly shifted with respect to Cochin China, the colony's richest agricultural area. Demonstrations staged in Saigon displayed the slogan "*Cochinchine pour les Cochinchinois*." On June 1, ostensibly because of their interest in protecting minorities, the French suddenly recognized an Autonomous Republic of Cochin China, with a Cabinet of nine men responsible to Admiral d'Argenlieu, the High Commissioner. Of the nine, seven were French citizens. The purpose of this action, according to the Viet Nameese, was to prejudice the promised referendum against union with Viet Nam. The spurious nature of the autonomy movement seemed to be borne out by a statement made by its president, Dr. Think, on November 9 just before he hanged himself, in which he

said that he was heartbroken at having led his adherents on such an adventure.

The French maneuver in Cochin China appears even more significant if one examines the structure of the Indo-Chinese Federation as drafted by the second Dalat conference this fall. The draft called for an "Assembly of States" composed of ten representatives from each of the five native states and ten representatives of French interests. With Cochin China separated from the Viet Nam Republic, the areas directly or indirectly under French control together with the "French interests" would outvote the Viet Nam forty to twenty. With Cochin China included in the Viet Nam Republic, as the nationalists insist it should be, power in the assembly would be equally divided between France and the Viet Nam.

Like parallel movements in Indonesia, Burma, and the Philippines, the Viet Minh has social revolutionary as well as nationalist aims. Its program places great emphasis, for example, on the development of village committees elected by universal suffrage. These committees are specifically charged with the task of reducing illiteracy and promoting economic rehabilitation. The Viet Nam regime met the threat of famine in 1945 by a series of radical economic measures, among which were the temporary diversion of all fallow land and agricultural machinery to the use of any would-be cultivator and an unprecedented program of crop diversification. Local French opposition to the republic probably springs more from economic than political conditions. The Viet Nameese insist that the attitude of the plantation owners and the local French bureaucracy is primarily responsible for French intransigence with regard to Cochin China.

BURMA INDEPENDENT, MALAYA STILL BOUND

Burma's political aspirations bid fair to be satisfied. Under the agreement reached at London it obtained the right to choose between dominion status within the British Empire and full independence. The decision is to be made after a new constitution has been drafted by a Constituent Assembly which will be elected in April. Serious disagreement has arisen, however, among the various Burmese factions, and there is danger that recent political disturbances within the country may develop into full-fledged civil war. U Aung San, leader of the powerful Anti-Fascist People's Freedom League, has come out whole-heartedly for the agreement, but he is opposed not only by the Communists but by Thakin Ba Sein, a member of the Governor's Executive Council, and U Saw, former Premier, whose pro-Japanese sympathies caused him to be arrested by the British in the early days of the war. As in Indo-China the situation is complicated by the presence of hill tribes whose minority interests, according to the British, would be jeopardized by their withdrawal. The chances of independence within

a year, as demanded by a majority of the nationalists, appear to be very slim.

Scarcely any weakening in the ties of empire is discernible so far in Malaya. The new constitution which was made public on the day before Christmas contained no gift of independence for the Malayan people. While the British were forced to abandon the plan announced a year ago for placing the native states under direct British jurisdiction, the structure of the new Federation of Malaya, in which the rule of the native sultans and their British advisers is continued, and the retention of Singapore as a crown colony make it certain that there will be no loss of British influence or authority in the area. The new arrangement disfranchises Malaya's huge Chinese population. Though the existence of large numbers of Chinese and Indians has precluded the development of a nationalist movement comparable to that of Indo-China, Burma, or Indonesia, nationalist sentiment has mounted tremendously in recent years, and if the Chinese were not so fatally divided into left-wing and right-wing groups they would be a far more powerful political factor. It is generally agreed that outright independence is impracticable because of the deep-seated racial and national animosities in Malaya. But the rising demand for some measure of democracy and self-rule cannot be denied indefinitely.

THE DUTCH IN INDONESIA

In some respects the Dutch seem to have made the greatest progress of any of the colonial powers in reconciling their legitimate interests with the demands of nationalism. Perhaps this is because they are so weak militarily that they recognized from the start the impossibility of imposing a solution by force of arms. Although the British and Dutch occupation forces have repeatedly clashed with the Indonesians, they have never attempted to subjugate the interior and have limited their military activities to the areas in which there was a substantial European population.

The Cheribon agreement of November 18 providing for the creation of a United States of Indonesia linked with the Netherlands represented a striking triumph for Dutch diplomacy. The Indonesian Republic, consisting of Java, Madura, and Sumatra, gained complete independence in domestic matters, but the Dutch managed to salvage most of their pre-war economic privileges. The agreement gave them equal footing with the Indonesians in the matter of taxes and civil rights and provided for the restitution of foreign property and foreign rights. Thus the way is opened, legally at least, for a return of the great Dutch, British, and American cartels which dominated the economy of the East Indies before the war.

Borneo and the Eastern Islands have been made autonomous states within the United States of Indonesia,

but as they are relatively backward politically, Dutch influence will probably continue to prevail. This influence, coupled with their direct representation in the proposed Indonesian-Netherlands Union, will give the Dutch a decisive voice in any dispute within the union.

Although the Dutch have on occasion denounced President Soekarno and other Indonesian leaders as "Communists" and "traitors," the Indonesian nationalist movement is somewhat more conservative than its counterpart in Indo-China or Burma. Communists played a fairly important role in building up the movement before the war, but they do not constitute its extremist wing. The extremists, who are strongly opposed to the republican government, are mostly the youthful leaders of local armed bands. A few, notably Soebardjo, who served as Soekarno's first Minister of Foreign Affairs, collaborated with the Japanese and were strongly influenced by their anti-white propaganda. The extremists are interested only in eliminating Dutch influence and have no common social program to advance. Nevertheless, an anti-Dutch policy carries anti-capitalist implications, since most of the plantations and oil reserves were in foreign hands before the war. The more moderate republican leaders have been careful not to advocate too radical economic reforms for fear of prejudicing their campaign for political freedom. In foreign relations they have turned toward the West rather than toward the Soviet Union. Russia seems to have espoused their cause in the United Nations without consulting or informing the Indonesian leaders.

President Soekarno has recently made sweeping changes in the composition of the provisional Indonesian Parliament in an effort to obtain increased support for the Cheribon agreement. Despite the opposition of many Dutch with heavy investments in the East Indies, the Netherlands Parliament approved the agreement by a comfortable margin. It is not at all certain, however, that Soekarno will gain the upper hand over the extremists and secure Indonesian ratification. Many Indonesians are reported to have been angered by the grudging spirit with which the Dutch accepted it, and the recent outbreak of fighting at Palembang has accentuated anti-Dutch feeling. Although both the Netherlands Commissioner General and the Indonesian Premier, Sjahrir, have announced their willingness to sign the pact, they have disagreed sharply over the conditions under which they will do so. If the agreement is not put into effect, the Dutch will find themselves in an even worse position than that of the French in Indo-China. Since the departure of the last of the British troops on November 29 the military situation in Java has seriously deteriorated. Neutral observers doubt whether the Dutch could hold their present positions if fighting again became widespread.

Inasmuch as the Indonesians have increased both their

military and their political strength in the past year, the Dutch would probably have very little chance of regaining a dominant position in the East Indies if the Cheribon agreement were rejected. They might retain their control over Borneo and the Eastern Islands, but they would almost certainly lose their favored position in the fabulously rich islands of Java and Sumatra. If the Dutch were forced out altogether, the French and British would immediately feel the consequence in their territories. A sudden disintegration in the colonial system might occur which would create profound problems for our time. It would cast an immediate and heavy burden, for example, on the United Nations: a number of relatively small independent states would be tempting bait for future aggressors unless an effective security system could be worked out. And long-existing colonial econo-

mies, which have yielded great wealth to the Western powers and provided the basis of much of the world's trade, could not be violently disrupted without far-reaching consequences.

If, on the other hand, the moderates triumph and the Cheribon agreement is accepted, it will undoubtedly set the pattern for colonial settlements throughout Southeast Asia. Though the ties of empire will have been loosened, they will remain sufficiently binding to preserve the balance of power in the Southwest Pacific and to prevent an economic upheaval. Socialist governments in Britain, France, and the Netherlands may then take steps to improve economic conditions among the colonial populations, but the kind of basic economic transformation that is needed will have to await the development of effective self-government.

Weizmann

BY R. H. S. CROSSMAN

London, February 3

IN RETROSPECT the central issue of the Zionist Congress at Basel was not the problem of participation in the London conference but the leadership of Weizmann. Once before, in 1930, he was rejected by his fellow-Zionists, but he soon reasserted his authority. It is almost certain that if partition is imposed he will take the lead again, invigorated by his absence. Certainly he would be desperately needed in a Jewish commonwealth whose first job would be to fight a civil war.

American commentators tend to explain Weizmann too easily as the protagonist of "the British connection" who has been repudiated simply because Britain has broken its word and thereby destroyed the basis of his case. In fact Weizmann belongs, as did Thomas Masaryk, to the last great generation of nineteenth-century liberals. Both men were representatives of that national liberalism which provided the philosophy for the League of Nations. They envisaged a world order in which the rule of law, con-



Weizmann

As seen by Oscar Berger

forming to the interests of civilized great powers, would protect the rights of minorities and foster the independence of small peoples. Speaking each for an emergent nation, they claimed and achieved equality of status in the councils of the League. Because both of them were men worthy to represent a great power, by sheer force of personality they put the little peoples on the map of world politics. If 630,000 Jews living in a few hundred square miles of the Middle East can assert their natural rights today against a great power, it is due above all else to the leadership, the devotion, and the shrewdness of Weizmann.

It is noticeable that Weizmann, like Masaryk, is a scholar as well as a statesman. If he had never become

a Zionist, his name would be remembered as a man of science, and what marks him out from his Zionist colleagues is his peculiar pugnacious detachment. Like Masaryk he will fight for the truth all the more if he sees it to be politically inexpedient to do so, and he will denounce romantic phrase-making even when by so doing he appears to jeopardize the cause. I first saw him in Jerusalem during the Anglo-American hearings. Nearly blind, with cataracts on both eyes, he sat before us like an aged but more magnificent Lenin. One of the Americans, Mr. Buxton, asked him how long it would take to bring in President Truman's 100,000 Jews. He thought

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