

# THE OBSERVER



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WASHINGTON, May 4

is touch and go whether the Senate will approve the loan to Britain. This Congres-conal uncertainty, born of Senate

loan to Britain. This Congres-sonal uncertainty, born of Senate fit bustering, election year irre-spensibility, and resurgent isola-tionism, is hampering and hobbling American efforts to develop a com-prehensive foreign economic policy. Taiked nearly to extinction by an repensive foreign economic policy. Taiked nearly to extinction by an repensive foreign economic policy. Taiked nearly to extinction by an repensive foreign economic policy. Taiked nearly to extinction by an repensive foreign economic policy. To congressional drive to extend the military draft—which expires on M.y 15—11 necessary to end the deadte and obtain a vote on the loan. A sonorous round of opposition speeches, reminding veteran jour-nalists of the critical League of Nations debate in 1919, and equally vital for world peace, is expected to continue until Tuesday. Then, either through voluntary agreement or the seldom invoked closure rule to limit debate, a 'semi-filibuster" will be defeated and balloting on amendments to the predict whether the Senate will thereafter quickly reach a straight-fraward ballot on the loan, in which case, the Administration claims enough votes to win easily, or whicher some major amendment will be attached which, by requiring the re-negotiation of the whole loan, would be tantamount to defeat. Pevond the Senate lies the hurdle of the House of Representatives. Here, although the Administration leaders have promised guick action, the Senate tempo does not augur well for a speedy approval. **Palestine Doubts** 

Palestine Doubts

# Established 1791

LONDON, SUNDAY, MAY 5, 1946

### U.S. Proposes Plebiscite Loan Issue Is In Trieste Zone Still In The Paris Conference Will Balance Discuss It To-day From ROSCOE DRUMMOND

# **Molotov Presses Yugoslav** Claims

From OUR DIPLOMATIC CORRESPONDENT

PARIS, May 4

A proposal by Mr. Byrnes to-night to hold a plebiscite in the area between the suggested Russian and American border lines averted a deadlock on the Trieste question in the conference of Foreign Ministers.

The proposal will be discussed at an informal meeting to-morrow afternoon. Earlier in the day, the Council of Foreign Ministers had discussed the question of the Italian-Yugoslav frontier and Trieste for several hours.

All the familiar arguments were repeated. Mr. Molotov advocated the claims of Yugoslavia with great insistence and eloquence. When, towards the end of the afternoon session, he exclaimed with some passion that "Trieste could not be torn from Yugoslavia for long," and that the Council should decide in favour of Yugoslavia's claims because this would be "a factor in promoting world peace," there was a long

awkward silence, and deadlock was apparently reached. Then, after an interval in which records of the London conference about the intended international status of the Port of Trieste were looked up, Mr. Molotov hinted that it might be possible to meet Italy's interests in the matter of reparations and colonies if the Council decided to meet the Yugoslav point of view regarding Trieste. He did not, how-

ever, elaborate this, and the point was not directly taken up. Then Mr. Byrnes put forward his plebiscite proposal. He quoted the Atlantic Charter-"on which we all have agreed "-which laid down that there should be no terri-

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torial changes without the freely expressed wishes of the freely expressed wishes of the people concerned. It could, according to Mr. Byrnes, be taken for granted that people living to the east of the American line re-gard themselves as Slavs, and those to the west of the Russian line regard themselves in the majority, as Italians. It was the area between these two lines where national allegiance was in doubt. Therefore, Mr. Byrnes argued, a plebiscite should be con-ducted, and france). All Italian and Yugo-slav troops should leave this area. Mr. Molotov did not reject the plebiscite proposal outright, but sug-gested that, if a plebiscite were held, it should take place in all Venezia Giulia, not only in controversial areas.

Palestine Doubts At this critical juncture the prob-lem of American responsibility in Palestine posed by the surprisuigly unanimous report of the Anglo-American Committee of Inquiry seems almost an extraneous issue The Administration. is taking its time about the formulation of a full reply to Mr. Attlee's request as to whether the United States was pre-pared to share military responsi-bility for the consequences of ad-mitting 100,000 Jews into Palestine. Conversations thus far have pro-ceeded exclusively at Foreign Minis-ters' level between Mr. Bevin and Mr. Byrnes. President Truman is known to be anxious to speed the persons' camps in Germany and Aus-tria. But the British and American Foreign Ministers have their hands so full at Paris that there is little time to consider ways and means of implementing the report. Pending Mr Byrnes's return to Washington, policy is being decided over the long-distance telephone to Paris, and it is a slow business. The Washington point of view is



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# EarlyVote on Greek Monarchy Urged

### British Note To Washington

### By A DIPLOMATIC CORRESPONDENT

THE British Government has addressed a memorandum to Washington proposing that the plebiscite in Greece on the return of King George of the Hellenes should be held at the

earliest possible date, and not, as originally intended, in 1948. British troops would remain in Greece until after the plebiscite to provide a safeguard against renewed violence and to give validity to the outcome

of the ballot. The views of the United Communists In

States are being sought on this States are being sought on this change of policy, and it is hoped Rumania Try that American observers will be sent to Greece for the period of the plebiscite.

The reasons given for this British suggestion are based on the political FRONTIER PROPOSED BY AMERICA BRITAIN & FRANCE conditions in Greece produced by the recent elections. The present situa-tion was not foreseen last November when Mr. Hector McNeil, Parlia-mentary Under-Secretary of State, Foreign Office, visited Athens and Mr. Bevin outlined British policy to-wards Greece in the House of Com-JUGO-SILAVIA

### Stability Destroyed .....

Stability Destroyed It is argued that the immediate withdrawal of all British troops would be followed by a plebiscite Populist Government, which is of declared Royalist sympathies. Such a plebiscite might, it is considered, precipitate further civil war. The original intention to withdraw British troops immediately after the elections was abandoned when the taken by an inner Cabinet composed of the Communist Ministers from Cabinet have become less and less requisite of recognition by the United States and Great Britain. It is now learned in London that, since recognition was granted, full meetings of the Rumanian Cabinet have become less and less requent. Decisions have been taken by an inner Cabinet composed of the Communist Ministers from Cabinet decisions have had no effect. Thas never been the desire of the British Government to continue the become the solution and Mos-certain conditions that must Rith sister, but no reply has yet become the solution of the sections of that British troops would be with-drawn as soon as possible, but that, "Certain conditions that must "Certain conditions that must be This Brovernment to continue the British Government to continue the become the solution to the desire of the British context to continue the become the solution the desire of the British cover been the besin the the beau the delay in h

AUSTRIA

To Flout Allies By A Diplomatic Correspondent THE Opposition Ministers

who joined the Com-munist-controlled Grozea Government in Bucarest are now virtually excluded from the Cabinet discussions,

Under the terms of the Moscow Declaration of December, 1945, the Education of December, 1945, the Education of December, 1945, the Education of Decembers, 1945, the Education of Decembers, 1945, Person of the Opposition parties, Pessant and Liberal, was a pre-requisite of recognition by the United States and Great Britain.

# **Chancellor's Hint of** Tax Reductions

### Higher Level Of Exemptions

MR. HUGH DALTON, Chancellor of the Exchequer, speaking at Durham yesterday, said that he hoped be able to make a further reduction in income tax, particularly for the wage earners and small-income people, by increasing the personal allowance, by reducing the rate paid on taxable incomes, and by increasing the allowance for earned income.

earned income. "If I remain in my present office a little longer," he said, "I hope to proceed further along the same foad. I would like to see a state of affairs in which no income tax was paid by those who are living, withing to my sufficient the same foad. I would like to see a state of affairs in which no income tax was paid by those who are living, with those who are in a point income tax. "I have no sympathy with those who are have no sympathy with those who are have no sympathy with those who are the coal industry over the men's demands for a five-day week and an extra week's holiday with pay. Dwentages Tay Baliads

A NEW crisis is brewing in men's demands for a five-day week and an extra week's holiday with.pay. Mr. Shinwell, Minister of Fuel

with pay. Mr. Shinwell, Minister of Fuel and Power, recently appointed a tripartite committee of representa-tives of the miners, the new Coal Board, and the Ministry to report on these two claims, but so far its meetings seem only to have exacerbated tempers. Last week representatives of the Coal Board failed to put in an appearance when the committee met, and there followed an scri-monious dispute between the men's leaders and the Ministry officials as to the reason. It ended, I under-stand, in the men's leaders virtually walking out, making it plan before they left that unless the discussions led to something positive by the time the Union Executive held its next meeting on May 23 they would--to put it politely-be very disappointed. Non-co-operation

200,000 Tons Freed



Poultry Flocks May Be Halved By Ration Cut A STATEMENT issued by the Ministry of Agricul-ture yesterday that basis rations for farm pigs and poultry will be reduced in July. August, and September to quantities suit cent for one-twelfth of their pre-war numbers will come as a blow to most poultry and pig keeper (writes a Farming Correspondent). Poultry rations are cut by ball. May an umber breeder in the Home conties said last night that he feared it would mean the end of the small commercial poultry-keeper war in order to keep his business "He will have to cut his number" **Purchase Tax Reliefs Poultry Flocks** 

Non-co-operation

Showing at Marshall & Snelgrove,

A prominent breeder in the Home Counties said last night that he feared it would mean the end of the small commercial poultry-keeper by balf, for up to the present poultry-keepers have been receiving sufficient rations for one-sixth of their pre-war flocks, 'h esaid. "Accredited breeders who receiving affected quite so badly, though they will have to make some reduction in numbers to balance the loss of part of the basic rations." The Ministry statement also an nounced that smaller ration issues than last year will be made ton autumn calving cows. The finistry is obviously hoping that farmers will not kill off them an increased rate of extraction in bread will not be maintained indefinitely. The finistry is obviously hoping that farmers will not kill off them an additional ration will not kill off them and the statement also an nounced that smaller ration issues than last year will be that ancreased rate of extraction in bread will not be maintained indefinitely. The finistry is obviously hoping that farmers will not kill off them and the statement also an nounced that smaller ration issues than last year will be find in the shops all those than last year will be the statement also an nounced that smaller ration issues than last year will be conducted the statement also an mences of the part will be worth to the present also an nounced that smaller ration issues than last year will be the difficulty intersted in the worth and the there will be a happy send-off autumn calving cows. The finiters to all difficulty is obviously hoping that farmers will not kill off them increased rate of extraction in bread will not be maintained indefinitely. The finiters the promest of provide the statement the provide the statement the provide the statement the provide the torthorming days and weeks that is the beat decide on a policy of non-tor the new Hone the union the torthorming days and weeks the House of commons further reliefs. The tenters the provide the the torthore the and the there ween the union the torthor

"Grow More" Plea The Ministry statement also an-nounced that smaller ration issues than last year will be made for autumn calving cows. The Ministry is obviously hoping that farmers will not kill off their livestock, for it points out that an increased rate of extraction in bread "will not be maintained indefinitely." If concludes its statement by ask-the termers to "unaits" production, both by increasing their own self-sufficiency in feeding stuffs to the maximum extent through such measures as silage making, and also by making the greatest possible use of unrationed feeding stuffs." The decision to cut-poultry and pig rations of drastically is an indication of the seriousness with which the Cabinet views the food position (writes our Folitical Correspondent). July is the critical month, and the Government, I understand, is hoping that there will be no more food cuts or changes in diet for the next three months. 200,000 Tons Freed MARSHALL & SNELGROVE · LONDON THE. FAMOUS . NAME . FOR . QUALITY

Mr. Molecky did not reject this act, the plebiscite proposal outright, but such as a such using the despected of a response of the despected o

There is a strong popular disbelief here, fostered by the Zionists, in the (Continued on page 5, column 6) **V-2s Explode In Dump** Fricht, Bavaria, May 5.—When the conference siumped badiy towards confided last night. V-2 warheads of the based in attacks on London, cavh weighing a ton, blew up in the dump, which is situated at the talian Navy has given way to the disposal of two small islands in the disposal of two small islands in the disposal of two small islands in the committee of experts which thas to work out its application in the isonories of leadys tready. The that connecte-piercing shell that to work out its application in the isonories of leadys tready. The that the only means of pressure they possess in that the only means of continued pressure on they that the major control that the major controlled Trieste, which the shape of a title to reparations the day in the shape of a title to reparations the day in the shape of a title to reparations the day in the shape of a title to reparations the day in the shape of a title to reparations the day in the shape of a title to reparations the day in the shape of a title to reparat

British Government to continue the heavy military commitments, with the odium entailed, of garrisoning Greece for a further two years. The delay of two years was introduced only to allow the country time to gain political and economic stability.

The Only Course

It appears that the Russians, who at present occupy the entire north-ern bank of the Austrian stretch of the Danube, will not allow the thumb-screws to be taken off Austria till she has concluded a similar treaty with them, thus com-pleting effective Russian domina-tion of the Danube. The Russians will probably be found less ready to consider any long-term four-Power control of the Eastern European ex-enemy States, where their own control is now com-

IF the Control Commission approve, Russia will be the first Allied Power to place

200,000 Tons Freed Britain has released 200,000 tons of wheat from her stocks and has agreed to forgo another 300,000 tons from Canada on the understanding that America gives us this back in July. America, at the moment, is ex-porting 500,000 tons of grain a month, but no one can say whether she will be able to maintain this rate during the summer. Even if America has 500,000 tons to export in July, the Combined Food Board may con-sider that needs elsewhere are so urgent that all of it cannot be sent to Britain. July will be critical for another reason. Canadian stocks will then be at their lowest, and it would be prudent not to expect any help from the Dominion. The Only Course The recent election results, and the subsequent secession from an other-wise Monarchis Government of the moderate Conservative Republicans, MM. Canellopoulos, Papandreou, and Venizelos, have destroyed the prospect of stability until the ques-tion of the monrachy is settled. In the document presented for the consideration of the United States these arguments are set forth to show that a plebiscite long before that the facts that have come to light on the large number of false entries on the large number of false entries it imperative that the plebiscite should be carried out with strict the guarting attributer to the order (valued at 100 it imperative that the plebiscite should be carried out with strict the guarting attributer to the order (valued at 100 it imperative that the plebiscite should be carried out with strict

## **Dominions Disturbed By Trend Of**

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