THE WORLD

New Man in Cairo

Cairo last week was calm, partly from exhaustion after the bloody riots of the week-end, partly as a result of strong measures ordered by the King. For twenty-four hours a day armored cars patrolled the streets; hundreds of agitators were arrested. At night troops were under orders to shoot on sight if anyone violated the rigid curfew. At a quiet ceremony a new Premier, Aly Maher Pasha, politically a moderate, took office.

Cairo's new atmosphere gave rise to hopes of a break in the bitter, months-long dispute between Egypt and Great Britain. In London, Foreign Secretary Anthony Eden said he believed it was possible to find a solution that would satisfy Egypt's "legitimate national aspirations" without "jeopardizing the security of the free world." Premier Maher Pasha replied, "We are willing to consider any understanding Mr. Eden might propose."

Egypt's Demands

The Anglo-Egyptian dispute involves two long-standing demands: control of the Suez Canal Zone which has been in British hands under the terms of the 1936 Anglo-Egyptian treaty, and control of the Sudan, the million-square-mile area on the Upper Nile which Egypt has ruled jointly with Britain—also under the treaty. The old Government of Premier Mustafa Nahas Pasha, leader of the extreme nationalist Wafd party, used violence as an instrument to force these demands. Nahas Pasha and the Wafd stirred up a storm of anti-British feeling, tore up the Anglo-Egyptian treaty last October and then armed and encouraged students and workers to attack the British.

King Farouk and many of his aides were uneasy about the Wafd policy—largely because they feared the aroused mobs might ultimately attack the ruling classes. But Nahas Pasha's popular support was so great that the King hesitated to risk an open break with his Premier. Then came the reign of terror of last week-end when Cairo mobs attacked first the Westerners—and then turned on the property of wealthy Egyptians.

That was Farouk's opportunity and he took it. Sunday night when the smoke lifted over hundreds of dead and wounded and millions of pounds worth of destruction, the King dismissed Nahas Pasha for "failing to maintain security and order" and appointed Maher Pasha. The feeling now is that Maher Pasha would like to make a deal with the British—a deal which would take the steam out of the extremists' appeals. But popular feeling still runs so high that if Maher Pasha were to back down on Suez and the Sudan, he would be forced out of office.

British Position

The question is on what terms Egypt and Britain could come to agreement. London feels that it cannot abandon Suez—the single most strategic Western holding in the Eastern Mediterranean area. As to the Sudan, the British are committed to allowing the Sudanese people to decide whether they want Egyptian rule or independence.

On the other hand, London is as anxious as Cairo to get an agreement that would pacify the Egyptian peoples. In his speech last week after Premier Maher Pasha took office, Foreign Secretary Anthony Eden renewed a long-standing British offer to revise the 1936 treaty to meet some of Egypt's objectives.

The feeling is that if and when negotiations for a settlement take place, they will center around a Western proposal for a Middle East Defense Command which would include Egypt. This command would take over the defense of the Suez Canal Zone and the only British troops remaining there would be part of a joint force. Although the old Egyptian Government would not even discuss this proposal, there have been hints that Premier Maher Pasha might consider it.

Economics in Commons

In London last Tuesday the House of Commons convened after an eight weeks' recess. The press and diplomatic galleries were jammed. Prime Minister Winston Churchill, just returned from talks in Washington, came through the door leading to the lobbies, stalked to the Government Front Bench, sat down between Foreign Secretary Anthony Eden and Chancellor of the Exchequer Richard A. Butler. His progress drew no jeers from the Opposition benches. From his own supporters came only muffled and quickly suppressed cheers.

The subdued mood of the House reflected the somber business before it. It was about to hear from the Chancellor of the Exchequer the latest Treasury bulletin on the nation's economic plight and the measures which the Conservative Government proposed to take to meet the fast-deepening crisis.

Amid silence as palpable as a London fog, Mr. Butler quickly came to the bad news. The country was undergoing severe strain in the effort to supply the home market at the current rate, to maintain vital exports and to meet Britain's arms commitments for Western defense. In the last half of 1951, the United Kingdom had a deficit in its dollar account of $1,532,000,000; its gold and dollar reserves were now down to $2,355,000,000, and heading fast for the $2 billion danger point.

This is how Mr. Butler last Tuesday proposed to cut Britain's coat to its cloth:

Import cuts. In November the Tory Government slashed $980 million from Britain's 1952 import schedule. Last week Mr. Butler knocked off another $420 million. The total reduction of $1.4 billion represents 10 per cent of Britain's imports. The cuts last week will reduce once again the imports of tinned meats and fruits, furniture, rugs, coal and the "invisible import," represented in the amount Britons may spend for travel abroad (cut from $140 to $70).

More for Export

Export drive. To push hard-currency-earning exports, the Government this year will cut by one-third the already thin trickle of British-made cars, motorcycles, bicycles, radios, washing machines and vacuum cleaners reaching the home market. Britons presently are getting only 100,000 British-made cars a year —20 per cent of the automobile production. The Government hopes that this added diversion to export will bring in $560 million.

Anti-inflation measures. To bank anti-inflationary fires, the Government will again raise bank loan rates, require installment buyers to put down one-third of the purchase price, strictly limit commercial building which uses scarce steel and cut the Government's non-defense spending. The most controversial cut affects the Health Service. Henceforth Britons will pay a shilling (14 cents) for each prescription, a pound ($2.80) a year for dental services, and part of the costs of wigs, hearing aids, braces and trusses. These charges, the Government hopes, will effect savings of $110.6 million.

The combined export-import program is designed to reduce Britain's non-sterling deficit to $280 million next year. To achieve an over-all balance, Britain must again have recourse to U. S. aid, which she has foregone for the past year. Last Monday—the day before the Chancellor's speech—Washington announced that London would get $300 million out of the 1952 Mutual Security Aid funds.

Tories Win Vote

The Butler program touched off a sharp attack by the Laborites. Clement Attlee, leader of the Opposition, charged that the program would not achieve its purpose and imposed an unfair share of the burden on the poor. The program was put to a vote of confidence on Thursday and the Government won by 309 to 278.

One aspect of the economic debate that stirred speculation concerned Aneurin Bevan, leader of a left-wing Laborite faction which has challenged both the Tory and the Laborite leadership and charged that Britain's economic troubles stem from American pressure for rearmament. In the debate Mr. Bevan contented himself mainly with attacking his old parliamentary antagonist, Mr. Churchill. He called the Prime Minister "not fit" for his office. Mr. Churchill recalled that during the war he had called Mr. Bevan a "squalid nuisance." Observers concluded that Mr. Bevan felt the time was not ripe for what is regarded as his first major objective—an effort to seize the leadership of the Laborites from Mr. Attlee.

UNDERGROUND: There is an old chestnut about the American visitor who was shown around a Moscow subway station, admired the mosaics but never saw a train. When he asked about that, his Russian guide answered: "Well! So there are no trains. But what about the Negroes in the South?" Actually, trains run about as often in Moscow's subway as in New York's, except that service stops after 1 A. M. Stations are ornately decorated, each one differently, and both stations and cars are far cleaner than New York's. The Moscow and New York subways are virtually identical in one respect—crowding. At rush hours crowds line up in Red Square waiting even to get inside the subway station. Last Wednesday a new four-mile extension of the Moscow subway was opened. Like the older sections, it has esthetically imposing stations—there are chandeliers, marble floors and walls, frescoed ceilings. Even with the extension, however, the subway covers a relatively small part of Moscow. It totals 33 miles, compared with 239 in the New York rapid transit system.

ON TOUR: With King George ill, Princess Elizabeth and Prince Philip have more and more assumed the duties of royal representatives in the British Empire. They seem to have taken to the duties easily enough. They scored a success on their 12,000-mile tour of Canada and the United States last fall. Last week they left on a far more extensive trip—to British Africa, Ceylon, Australia and New Zealand. On Friday they reached Kenya Colony, Africa, by air. From there they will travel to other African territories and to the East by ship. Altogether the tour will cover 30,000 miles and take five months. Its basic purpose is to make the Empire lands more conscious of their tie to the mother country, and through press coverage and films sent home to inform Britons more adequately about the dominions abroad.

'VARIED DIET': A good steak in Buenos Aires costs no more in the market than a pound of onions. Argentina has by far the highest per capita meat consumption in the world—247 pounds a year by latest figures, compared with 145 in the United States. But recently Argentina's beef supply has been declining, partly because of industrialization at the expense of agricultural workers, partly because of a 1950 drought that cost 8,000,000 head of cattle. Last week President Juan Perón's Government ordered all restaurants in the country to observe one meatless day a week. The Government said it wanted Argentines to try a more varied diet for their health. Some observers pointed out that the order would save just about enough meat to make up a shortage in Argentine beef shipments to Britain under their latest contract.

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