

DIARY

Book 857

June 22, 1945

June 22, 1945 /
9:15 A.M.

Cong. Lewis
Ludlow: Hello, Mr. Secretary.

HMJr: How do you do?

L: I'm very well, thank you, and hope you are.

HMJr: I'm all right, thank you.

L: Mr. Secretary, this is a matter I just wanted to ask a little information

HMJr: Please.

L: About the Collector at Indianapolis there. I hear that there is some movement out there against him - Will Smith.

HMJr: Well, I only heard about....

L: I wanted to get you to tell me about..

HMJr: ... it yesterday. Hello?

L: Yes.

HMJr: And I've called up Bob Hannegan to drop in and tell me what it was all about.

L: Oh, yes.

HMJr: And he is coming in here in the next half hour.

L: Yes, I see. Well, I had always understood that Will Smith was one of the best collectors in the country. That is that he rated well with...

HMJr: I agree with you. It is a complete mystery to me, and I only heard it in a round about way. So I immediately got in touch with Hannegan and asked him please to come in because I wanted to know what it was all about. After Hannegan leaves, I'll be glad to get in touch with you.

L: Well, I wondered -- would you feel like - you'd be willing to see Smith and talk...

HMJr: Oh, surely.

L: I think he is in the city here.

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HMJr: Pardon?

L: I say I think he is in the city.

HMJr: Well, if you know where he is if you will have him get in touch with me, I'll be very glad to see him.

L: At what time would you suggest?

HMJr: Just a moment, please. I could see him at 3 o'clock today.

L: Now, I think I can reach him, and I'll suggest that to him. If you'll just let that stand, well then, I'm sure he'll be glad to answer any questions you'd like to ask. That might clarify the atmosphere a little bit.

HMJr: Well, I'm being very honest with you. It is a mystery to me and I'm trying to find out what it is all about.

L: I see. Well, maybe he could help to elucidate the matter, and I'll ask him to come and see you.

HMJr: Has he been in any political troubles out there?

L: Well, of course, there is always - you can't run an office, I reckon, without somebody criticizing you.

HMJr: Well, I mean - would you help me out a minute - I mean I don't know Indiana politics, see, and are there - what are the factions out there?

L: Well, I don't know that he has been identified with any particular faction, he was appointed first on the recommendation - of course, the mere member of the House, as you know, is not in the state of his equation. He was appointed on the recommendation of Senator Van Nuys.

HMJr: Yes.

L: And, in fact, I think he did more to make Van Nuys a Senator than anybody out there.

HMJr: I see.

L: And Senator Van Nuys' death then kind of threw the thing into, more or less, chaotic conditions.

HMJr: Well, I mean, who would be wanting to move in and get him out - I mean out there?

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L: I just don't know that, Mr. Secretary, it is as much a mystery to me as it is to you.

HMJr: Pardon?

L: I say I don't know - it is as much a mystery to me as it is to you. I just heard of it today.

HMJr: Yeah. Well, you think he is a good man?

L: Oh, I think he is efficient.

HMJr: Yeah. Well, when I know a little more about it, I'll call you.

L: Well, all right.

HMJr: But I moved just as fast as I could, and I thought I'd go right to Hannegan and ask what it is all about.

L: Well, he might throw some light on it.

HMJr: I think he can throw a lot of light on it.

L: All right, thank you. And if I contact him, I'll suggest that he come to see you at three.

HMJr: If you would.

L: Thank you very much.

HMJr: Hello?

L: Yes.

HMJr: How are we getting along with our appropriation bill up there - the one for more money for Internal Revenue.

L: Well, I think it is coming along, Mr. Secretary.

HMJr: In the hands of your committee?

L: Yes, I think it will be reported out very shortly now.

HMJr: Are we going to get about what we asked for?

L: I think you are going to get it-good part of it, yes.

HMJr: You do?

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L: Yes.

HMJr: Well, we need it.

L: Yes, I know you do.

HMJr: We've run into some very bad cases in Indiana.

L: You have?

HMJr: And I thought it wouldn't do any harm to sort of talk about them because - on account of that little group of Indiana bankers there. You know?

L: Yes, I know.

HMJr: And I thought if they really found out that they were bad cases that they were good enough citizens that they would get on the bank wagon.

L: Yes, yes, there was some criticism out there.

HMJr: I never actually had any letter from them, but I just heard rumblings.

L: Oh, I see, yeah.

HMJr: But I think the most - they tell me - comes from a Republican banker out there that never likes anything that we do.

L: Is that so? I didn't know the genesis of it....

HMJr: Yeah, I can get the name for you if you ever want it, but there is one Republican banker that is spearheading the whole thing.

L: Is that so? In Indianapolis, eh?

HMJr: Yeah.

L: I see. Well, all right, Mr. Secretary, thank you.

HMJr: Thank you very much.

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June 22, 1945
9:30 a.m.

LEND-LEASE
ITALY

Present: Mr. White
Mr. Glasser
Mr. Coe
Mrs. Klots

MR. WHITE: Now, Glasser just got the letter late last night that was dated June 19th, a copy of a letter from the Secretary of War to the Secretary of State with reference to this thing, which throws a different light on it.

H.M.JR: What was the date?

MR. WHITE: June 19th is the date of the letter.

H.M.JR: When did Glasser get it?

MR. WHITE: Late last night.

MR. GLASSER: After a conversation with the State Department he sent a special messenger over to get it.

MR. WHITE: This letter changes the discussion because it says that the draft of the telegram that the War Department initialled is not in accord with the policy which the War Department thinks should be pursued. I don't understand who initialled it.

H.M.JR: Wait a minute. Does the telegram the War Department initialled--isn't it in tune with what the War Department wants?

MR. WHITE: No. Here's the letter.

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- 2 -

MR. COE: Not with what they want, Harry, but with the amount of money they are asking for.

H.M.JR: Could I read the original letter?

Incidentally, I got Bob Hannegan to come over on a very important matter. I have asked him to come to see me, so when he comes I'll ask you gentlemen to go back to your office and I'll let you know.

(Quoting from a letter to the Secretary of State from the Secretary of War, dated June 19, 1945, Attachment A.)

"This acknowledges receipt of letter of June 8, 1945, from Mr. James A. Maxwell--"

Who is Maxwell?

MR. GLASSER: He's down the line. Maxwell in the State Department tried to get this cable cleared with the War Department--the same cable we brought in yesterday.

H.M.JR: (Reading) "... to General E. S. Greenbaum inclosing a draft of the proposed cable from the President to the Prime Minister in response to the Prime Minister's cable of May 28, and requesting comment on this draft."

Is Maxwell in the State Department?

MR. GLASSER: That's right.

H.M.JR: (Reading) "Yesterday I received from the Director of War Mobilization and Reconversion a letter dated June 13, 1945, copy of which is attached."

Have you got that copy?

MR. GLASSER: Yes, sir.

(Mr. White hands the Secretary copy of letter to the Secretary of War from Mr. Fred M. Vinson, dated June 13, 1945, Attachment B.)

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H.M.JR: (Reading) "The proposed cable appears to the War Department to be consistent with the direction contained in that letter. If the cable is to be sent, it is believed that its accuracy would be improved by making the second sentence read as follows:"--

Have you had this before?

MR. GLASSER: No, I got that late last night, too.

H.M.JR: It's a hell of a way to work, not for us, but for us to comment and get this stuff later.

This is from Vinson to the Secretary of War. (Quoting from Attachment B.) "Your letter of May 15, 1945, with reference to the requirements of the British Empire for war material for the period following VE-Day, was the subject of a discussion held in my office on June 4, 1945, with Under Secretary Patterson, Mr. Crowley, Mr. Clayton and me."

Wasn't Glasser present?

MR. COE: Mr. Bell was there.

H.M.JR: They don't even mention us.

MR. COE: That's right. They didn't mention it. It's a meeting we were at.

H.M.JR: They didn't even mention the Under Secretary of the Treasury.

(Reading) "It was agreed that the tentative principles enunciated in your letter--" what letter is that?

MR. COE: That was a letter which Stinson had written to Vinson.

H.M.JR: Have you got that?

MR. COE: No.

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MR. WHITE: Isn't that Somervell's letter, the one he wrote? That's the beginning--that's the letter Somervell wrote to--

H.M.JR: Don't you have that?

MR. WHITE: I think we better get a copy of that.

H.M.JR: (Reading) "In general, it was agreed that, in accordance with those understandings, lend-lease should be furnished on a basis which would permit proportional and equitable reconversion in the United Kingdom. It was further agreed that the requirements estimated in the meetings held in October and November 1944 should be accepted as the basis for present requirements. Such estimates, however, are always subject to change in the light of strategic demands and supply considerations."

"I assume, of course, that the War Department's budget requests appropriations adequate to fulfill these commitments."

Now, you haven't got a complete file?

MR. WHITE: I just got that about five minutes before I came in.

H.M.JR: It's a hell of a way to present something to me.

MR. WHITE: I was going to suggest in coming in with those letters that they are no longer really urgent because we need a chance to study the letters. I haven't had a chance to read either one.

H.M.JR: With all due respect to all of you I think you should have had the complete file before it was suggested that I okay that cable yesterday.

MR. WHITE: That's right.

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H.M.JR: I think that's a bad presentation to me, gentlemen. I say that with all seriousness.

MR. WHITE: Sure, that's true, but how would we possibly know of the existence of those letters? I don't know how you happened to find out.

MR. GLASSER: I only found out because I was having a discussion with the State Department and they mentioned the letters and I immediately asked for them. We had no idea of that correspondence. They asked us to clear the cable without giving us the full record.

MR. WHITE: We ought to say--I certainly would say in the future when we ask for anything like that we ought to have everything that is pertinent.

H.M.JR: I certainly would.

(Reading from Attachment A.) "We intend to furnish lend-lease during the Japanese War in accordance with the general policy discussed between you and President Roosevelt at Quebec on September 14, 1944, and that was the basis for the discussions between American and British representatives in Washington in October and November 1944 in regard to lend-lease requirements for the first year following the defeat of Germany." That's a substitute paragraph.

MR. GLASSER: That was incorporated in the draft we showed you yesterday.

H.M.JR: Well, I like Vinson's letter. (Reading from Attachment B.) "It was further agreed that the requirements estimated in the meetings held in October and November 1944 should be accepted as the basis for present requirements. Such estimates, however, are always subject to change in the light of strategic demands and supply considerations." I like what he said. (Reading) "I assume, of course, that the War Department's budget requests appropriations adequate to fulfill these commitments."

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(Reading from Attachment A) "It should be noted, however, that the War Department's requests for appropriations for military lend-lease were arrived at, and have been presented to the Congress, under policies considered appropriate by the Joint Chiefs of Staff, which contemplate, among other things, the furnishing by the War Department of only those materials which are not available to, and cannot otherwise be provided by, the British Empire on the premise that the Empire will maintain its forces for the war against Japan to the fullest possible extent from its own stocks and production."

"This policy is not in accord with the implications of the proposed cable. It may be necessary, therefore, for the War Department to request the Congress for funds for the specific purpose of carrying out the direction contained in the letter of June 13, 1945."

Well, I am just going to wait until you get a complete file on this thing, and you can simply say you gentlemen can't advise me until we have all the correspondence, starting with the first letter that Mr. Stinson wrote to Mr. Vinson asking him. And if they don't want to give it to us, the hell with them! I mean, to take up my time and your time by having us do a piece of it--who does this over there? Who asked you from the State Department?

MR. GLASSER: Mr. Collado's office was asking for it.

H.M.JR: Tell Collado I can say, "What in God's name does he mean asking us to okay a cable blind and not knowing a thing about it?" Also tell him that I am very much annoyed.

MR. WHITE: I learned we didn't get a copy of President Truman's cable until the day before yesterday.

MR. COE: I must say, though, that I think the blame really applies to Vinson in this instance, because it is--

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H.M.JR: I don't care. Let's not take the time. The fact remains there is no use prolonging this discussion.

MR. WHITE: Well, do you want to raise that Italian subject?

(The Secretary holds a telephone conversation with Mr. Gaston)

MR. COE: Mr. Secretary, could we clear briefly with you the Italian matter?

H.M.JR: You can if you will first clear General Clay's letter with me.

MR. WHITE: What?

H.M.JR: General Clay's letter. Where is that letter from Clay?

MR. WHITE: That doesn't need any action. We are going ahead. What he says is that they agreed to having transferred out of it into a civilian status the members of the military forces. Now, they are going ahead as fast as they can.

MR. COE: And he thanks you.

H.M.JR: Shouldn't I acknowledge his letter?

MR. COE: No, sir. You wrote Eisenhower a letter requesting that and Colonel Bernstein carried it over with him. You may not remember. It was a long technical letter.

H.M.JR: I don't know.

MR. COE: And Clay just thanks you on behalf of Eisenhower and says they are doing what you asked, that is, transferring people out of the Army.

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H.M.JR: I see. Go ahead.

MR. COE: The Italy matter is this: The War Department doesn't want the responsibility for imported service supplies into Italy any more. Crowley hasn't asked for money for Italy, and apparently doesn't intend to ask for any, and this circumstance the State Department through one of the committees on which we are represented has asked for our views on it, and we propose telling them as follows: We think so long as there is any military government in Italy the United States and the British military jointly are responsible for bringing in or not bringing in supplies, and it is their job.

H.M.JR: The military?

MR. COE: Yes, and we think further that the statement which Roosevelt and Churchill made last September on this matter which said that some minimum supplies would be brought in and some minimum rehabilitation would take place under Allied auspices still stands and should be carried out even though we and everyone else knows that in fact they have done nothing toward it.

In other words, our view is that we propose to continue on that. It is still a military responsibility.

H.M.JR: As opposed to what?

MR. COE: As opposed to its being nobody's responsibility which I guess would be the way. There is a British proposal to make Italy an UNRRA responsibility, but they still want military government in there.

H.M.JR: And it is the English who want to withdraw.

MR. COE: And our military. Really, all the civilian agencies on our side want to withdraw, too, because they aren't doing anything about it.

H.M.JR: I don't see what much else you can do.

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MR. COE: That's what we thought.

H.M.JR: You can't let Italy go to hell.

MR. COE: That's what we thought.

MR. WHITE: Here is a letter prepared for my signature going to Clayton as Chairman of the Liberated Areas Committee.

H.M.JR: Who is Chairman of that?

MR. WHITE: Clayton. Or it can go under your signature to the Secretary, if you want to give it that much importance. This is the last paragraph. (Quoting from draft of letter to Mr. Clayton from Mr. White, Attachment C.) "It is disturbing to me to know that the policy announced to the world by President Roosevelt and Prime Minister Churchill in their joint statement of September 26, 1944, has not yet been implemented, and that it may not be implemented in the future. Such a complete failure to carry out the promise made in the September 26th declaration should not, in my opinion, be permitted to occur." But that goes to Clayton.

H.M.JR: I think it ought to go from me to the Secretary of State.

MR. WHITE: That would give it more importance.

H.M.JR: Have you got one that way? Herold usually has three drafts.

Incidentally, I had lunch with Robert Brand yesterday. He wanted two things: He wanted White to go to England, and I said would I put it up to him?

MR. WHITE: He spoke to me about it and I said no.

H.M.JR: You said no?

MR. WHITE: This was some time ago, a couple of weeks ago.

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H.M.JR: I confirm that now, and the other thing is he is very curious to know about this Advisory Committee on Bretton Woods, would that mean eventually all financial matters would go to Treasury rather than State, and he said that would be most interesting to the Chancellor. I said, "Don't send a cable. Wait until you get home to tell it."

MR. WHITE: We might as well raise it now. They are proposing to stop the arrangement which has been in existence in the last five years whereby American holders of sterling are guaranteed against loss of a gold guarantee. It is called "registered sterling," and they can withdraw. They now are going to tell them that is coming to an end. They are going to do the same thing with certain South American holdings, and with some Egyptian holdings, and so forth. The net results would be a substantial delinquency in their gold holdings, I assume, because a lot of the holders will say to themselves, "This looks like a decree in a possible delinquency in sterling, either in the Bretton Woods arrangements or sometime prior to that." Otherwise, they will say to themselves, "Why is England worrying about stopping the guarantee?" I think most of the holdings will be withdrawn. The only holdings that will be kept there are those absolutely essential for the conduct of business, so one of the effects will be a decrease in the gold holdings, which may be one of the objectives. A second, and more significant one is--I don't know whether they are indicating--he claims not--that they are paving the way for readjustment of the sterling rate downward, but they are asking us whether the letter which they have to go forward to the Federal Reserve Bank of New York is all right with us. I don't see how we can say no. I am going according to the significance of the letter.

H.M.JR: I don't want to be unkind, but may I say in passing that I am very glad I didn't okay the telegram that you brought in yesterday, this one for Truman?

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MR. WHITE: I am a little sorry we didn't needle them a little.

H.M.JR: Who?

MR. WHITE: The British.

H.M.JR: I am glad I didn't blindly initial it yesterday.

MR. WHITE: No. They thought I would initial it and I said, "No, this is too important. The Secretary will be interested." Now you disagree with us.

H.M.JR: No, I am just rubbing your nose a little. You said everybody has initialled it and it is all right.

MR. WHITE: It is all right with us. That doesn't mean it is all right with you.

MR. COE: What about that Chinese matter, Mr. Secretary?

MR. WHITE: Let me get through with this before you start the Chinese matter.

This is a letter to Kilgore which is a response to the invitation which you received over a month ago, but was taken up orally.

Now, the clerk of the committee called up and said that apparently you were not going to appear, and they wanted somebody to appear to tell them whatever facts we have with respect to frozen assets, cartels, tips, and so forth. So, this is the letter that we drafted. (Referring to Attachment D.)

H.M.JR: I think I will use this as an excuse to call up Kilgore because I told Kilgore the President wanted the whole hearings postponed, and I read in the paper he is going ahead. He said he was going to telephone the President, and that was two days ago, and was going to let me know. So, I will use this as an excuse.

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MR. WHITE: I presumed something that wasn't so, because he called me and said they wanted this technical information and would the Secretary want to come up and confine himself to that? I said, "I don't think so." He said, "The other matter, you know, is out." So, I had assumed that you knew about it. I said, "Well, if the other matter is out, you want just technical information."

H.M.JR: I told him it was out, but I also told him Truman didn't want any hearings. He said, "I am going to talk to Truman tomorrow and I will ask him that," and I said, "After you have spoken to him, will you speak to me?"

MR. WHITE: You should call him up.

H.M.JR: I will do it now.

MR. WHITE: If they are still on, I think that the men are preparing material.

H.M.JR: Whatever happened to Hoffman and the Chase National Bank and that stuff? Is that kicking around--the Chase Bank--Paris?

MR. COE: We sent that in to you, Harry.

MR. WHITE: Yes, and I asked to have the thing investigated, whether it had gone to the Secretary or not, and they said it had.

MR. COE: It is completed. It should have been here.

H.M.JR: The Hoffman thing?

MR. WHITE: I have had it at least several weeks. You have had the original, I think, at least--

H.M.JR: Kilgore is out of the city until Monday. See if I have Hoffman's report on the Chase Bank in Paris. I think I have it. (To Mrs. Klotz.)

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(Discussion off the record.)

MR. WHITE: Here is the HIS matter if you want to read the memo. It is one page long. It will tell you about it, but we are sending a letter to all the Ministers of Finance who were up at Bretton Woods. (Referring to Attachment E.)

H.M.JR: A memo about the HIS?

MR. WHITE: We received a letter from the HIS as well as a communication from the State Department enclosing something which the British had received from the HIS, in which the HIS has indicated it is staking out its claim against certain German assets. (Referring to Attachments F, G, H, and I.)

We all feel that it is a move to increase the prestige and enhance the importance of the HIS and to show they are in the picture and that they cannot be cut off. So, we had a meeting here and we are interested in it, but only in this Department. We all agreed finally that the thing to do is send a letter similar to the one that you are sending to Anderson except that it differs with several of the countries because some of the countries are members of the HIS, and others are not, but the gist is the same. You can read the answer probably, and then read the memo.

(Mr. White hands the Secretary Attachments J, K, and L.)

H.M.JR: I would say, "I do not contemplate answering the letter addressed to me until I have had a chance to consult with you."

MR. WHITE: The letter doesn't really need any answer. It is just for--well, that might be a way of handling it.

H.M.JR: Or else leave the sentence out entirely, "I would appreciate your advising me how you expect me to treat those communications." It's just as good. Look, it's just as good, see?

MR. WHITE: I'll tell you what we wanted to do. We wanted to notify the other countries that you are not going

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to answer the letter so they won't answer it.

H.M.JR: I would put it, Pending hearing from you I do not intend to--

MR. WHITE: I don't know whether this would have the same effect.

H.M.JR: We will think about it.

MR. WHITE: What we want to do is--the other country may answer that letter.

H.M.JR: Think it over, and if you want me to do it your way, I will. I have got to stop.

MR. WHITE: One other thing. We are not asking the State Department on this, and we are not asking them deliberately because we think we will have trouble with the State Department, but it is so clearly a Treasury and Bretton Woods matter and there is one other thing about China. Adler is going back to China but he is going to get a ten-day vacation first, and Frank tells me there is something--

MR. COE: Could you set up a meeting later?

H.M.JR: You know. I have told you what I have in mind.

MR. WHITE: You want me to tell them part of it--that part which relates to--bears directly on it or not?

H.M.JR: I'll talk about it.

ATTACHMENT A

SECRET

19 Jun 1945

The Honorable
The Secretary of State,
Washington, D. C.
Dear Mr. Secretary:

This acknowledges receipt of letter of 9 June 1945 from Mr. James A. Maxwell to General E. S. Greenbaum inclosing a draft of the proposed cable from the President to the Prime Minister in response to the Prime Minister's cable of May 28, and requesting comment on this draft.

Yesterday I received from the Director of War Mobilization and Reconversion a letter dated 13 June 1945, copy of which is attached. The proposed cable appears to the War Department to be consistent with the direction contained in that letter. If the cable is to be sent, it is believed that its accuracy would be improved by making the second sentence read as follows:

"We intend to furnish lend-lease during the Japanese War in accordance with the general policy discussed between you and President Roosevelt at Quebec on September 14, 1944, and that was the basis for the discussions between American and British representatives in Washington in October and November 1944 in regard to lend-lease requirements for the first year following the defeat of Germany."

It should be noted, however, that the War Department's requests for appropriations for military lend-lease were arrived at, and have been presented to the Congress, under policies considered appropriate by the Joint Chiefs of Staff, which contemplate, among other things, the furnishing by the War Department of only those materials which are not available to, and cannot otherwise be provided by, the British Empire on the premise that the Empire will maintain its forces for the war against Japan to the fullest possible extent from its own stocks and production.

This policy is not in accord with the implications of the proposed cable. It may be necessary, therefore, for the War

Department to request the Congress for funds for the specific purpose of carrying out the direction contained in the letter of 13 June 1945.

Sincerely yours,

Secretary of War.

Incl.
Cy ltr 13 Jun 45

ATTACHMENT B

21

C
O
P
YOFFICE OF WAR MOBILIZATION AND RECONVERSION
Washington 25, D. C.

June 13, 1945

SECRET

My dear Mr. Secretary:

Your letter of May 15, 1945, with reference to the requirements of the British Empire for war material for the period following VE-Day, was the subject of a discussion held in my office on June 4, 1945, with Under Secretary Patterson, Mr. Crowley, Mr. Clayton and me.

It was agreed that the tentative principles enunciated in your letter were not broad enough to cover the understanding reached between the later President and the Prime Minister at Quebec.

In general, it was agreed that, in accordance with those understandings, lend-lease should be furnished on a basis which would permit proportional and equitable reconversion in the United Kingdom. It was further agreed that the requirements estimated in the meetings held in October and November 1944 should be accepted as the basis for present requirements. Such estimates, however, are always subject to change in the light of strategic demands and supply considerations.

I assume, of course, that the War Department's budget requests appropriations adequate to fulfill these commitments.

Sincerely yours,

Fred M. Vinson
DirectorThe Honorable
The Secretary of War
Washington 25, D.C.

ATTACHMENT B

21

C
O
P
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Washington 25, D. C.

June 13, 1945

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I assume, of course, that the War Department's budget requests appropriations adequate to fulfill these commitments.

Sincerely yours,

Fred M. Vinson
DirectorThe Honorable
The Secretary of War
Washington 25, D.C.

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ATTACHMENT C

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, 25

Dear Mr. Clayton:

This is in reply to your letter of 7 June addressed to Mr. White concerning the termination of military responsibility for civilian supplies in liberated areas.

I understand that discussions have been proceeding between Mr. McCloy, Mr. Crowley and yourself on these matters. If I may comment, however, on the letter of Mr. McCloy which was attached to your letter of 7 June, it seems to me that the military has responsibility for the importation of civilian supplies in Italy as long as part of that country is under Allied Military Government in which the United States takes a part. In any case, I assume that the military relief program will not be terminated without prior consultation with the Italian Government as provided in President Truman's letter also attached.

It is disturbing to me to know that the policy announced to the world by President Roosevelt and Prime Minister Churchill in their joint statement of 26 September 1944 has not yet been implemented, and that it may not be implemented in the future. Such a complete failure to carry out the promise made in the 26 September declaration should not, in my opinion, be permitted to occur.

Sincerely,

Honorable William L. Clayton,
Chairman, Liberated Areas Committee,
Department of State.

Spent to W. L. Clayton
Hiers 6/16/45

ATTACHMENT D

23

COPY

My dear Senator Kilgore:

With reference to your letter of 9 May 1945 concerning hearings of the Subcommittee on War Mobilization "The Economic Base for German Aggression and National Security," I understand that you desire the Treasury Department to present testimony relating to information in its possession concerning German methods of economic penetration and current activities of this Department designed to eliminate the German economic basis for further aggression.

In view of the nature of the information which you desire, I have asked Mr. Michael L. Hoffman, Acting Director of Foreign Funds Control, to testify for the Treasury Department.

Sincerely yours,

Honorable H. M. Kilgore
Chairman, Subcommittee on War
Mobilization
United States Senate
Washington, D. C.

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ATTACHMENT E

Secretary Morgenthau

H. D. White

An important issue has arisen concerning the Bank for International Settlements.

You recently received two letters from McKittrick of the BIS. One transmitted a copy of a letter to the Chancellor of the Exchequer setting forth the BIS position under the treaties establishing the bank and asserting, in effect, its immunity from politics--i.e. the war. The second letter is a statement of the need for resuming service on the German International 5½% loan of 1930 guaranteed by various German state revenues, and is addressed to the governments on whose behalf this loan was issued under the Young Plan, and to governments of countries in which substantial parts of the loan are held. We are in the latter group.

The McKittrick letters are "for the record" and do not require a reply. We propose, however, to write letters to other Bretton Woods signatories. Attached are three model letters for your signature. These letters are based on the following position:

1. Bretton Woods Resolution No. 5 calls for the liquidation of the BIS at the earliest possible moment. We do not want to appear to be retracting in the slightest from this resolution. On the other hand, we do not want to precipitate a direct battle with BIS until the Bretton Woods legislation is enacted and other countries have adhered to it.

2. McKittrick's letters are part of an obvious effort to stake out a claim for the BIS in the post-war world. As such, they are, in effect, a challenge to Bretton Woods. This is particularly true of the letter to the Chancellor of the Exchequer which was probably cleared with the British Treasury before it was sent.

3. The other signatories to the Bretton Woods Act should be advised of the BIS action, should be reminded of Bretton Woods Resolution No. 5, and should be advised that we are not answering

- 2 -

the letters. It will thus be obvious to them that we do not intend to negotiate with the BIS. Such letters from us may stiffen the backs of countries which would like to liquidate BIS but hesitate to take any initiative.

4. The Chancellor of the Exchequer should be advised of our action, reminded of Bretton Woods Resolution No. 5, and asked what he is doing about the letters addressed to him.

If you approve these letters, those for the other Bretton Woods signatories will be prepared immediately. You will note that the letters differ slightly because of the fact that some of the Bretton Woods countries also got letters from BIS and some did not.

25
MHoffman:mhw 20 June 1945
LCA:apns

26
ATTACHMENT F

COPY

BANK FOR INTERNATIONAL SETTLEMENTS

Basle, 2nd May 1945.

By Air MailThe Secretary of the Treasury,
Washington, D. C.

Sir:

As Trustee of the German Government International 5 1/2% Loan 1930, it is our duty to draw your attention to the rights of the Bondholders of this Loan.

The question of the rights of these Bondholders will, in particular, arise at the time when a settlement is to be reached of matters left in suspense by the interruption of payments provided for by the Hague Agreements of 1930.

A similar question will arise with respect to the Bondholders of the German External Loan 1924. The Trustees of this Loan submitted this matter, in December 1944, respectively to the Governments of the United States and of the United Kingdom.

We have, in consequence, the honour to submit to you the following:

1. The problem of reparation for the material damage caused in the war of 1914-18 was raised, without being solved, by the Treaty of Versailles. By this Treaty the Reparation Commission was charged with the task of fixing the total of payments and other reparation to be made by Germany.

The fixing of Germany's obligations and their execution having given rise to many difficulties, the Creditor Governments were led to settle the reparation problem by means of two new agreements.

The first agreement, the so-called Dawes Plan of 1924 - a provisional solution - was followed by the issue of a first loan to mobilise reparation payments in an amount equivalent to 800 million gold marks. This loan is the German External Loan 1924.

The second agreement, the New Plan of 1930, was to bring about a final and complete settlement of the reparation problem.

- 2 -

The elaboration of this New Plan was entrusted to a Committee of Financial Experts, and this Committee, under the Chairmanship of Mr. Owen D. Young, submitted its report on 7th June 1929. The report was approved, in principle, in the Hague Protocol of 31st August 1929 and, finally, in the "Agreement with Germany" signed at The Hague on 20th January 1930.

2. Upon signing the New Plan, the Governments of the United Kingdom, France, Italy, Japan, Portugal and Yugoslavia demanded the issue of a new loan for the mobilisation of reparations and for this purpose signed with the German Government an agreement entitled: "Arrangement as to the financial mobilisation of the German annuities", which forms part of the various instruments drawn up at The Hague at the same time as the Agreement with Germany.

The German Government International 5 1/2% Loan 1930 was issued in June 1930 on the markets of Belgium, France, Germany, Great Britain, Holland, Italy, Sweden, Switzerland and the United States. Subscriptions produced net proceeds of more than 300 million Dollars, which were distributed according to an agreement reached in Paris on 10th June 1930 as follows:

France	\$132.7 million
Germany	\$100.4 "
British Empire	\$ 50.3 "
Italy	\$ 13.2 "
Japan	\$ 2.1 "
Yugoslavia	\$ 1.9 "
Portugal	\$ 0.7 "

As regards the conditions of the Loan, we would refer to the bearer bonds issued and the general bond which was signed on 10th June 1930 by the German Government. For the purpose in view it suffices to mention the following special points:

- a) The Loan constitutes "a direct and unconditional obligation of the German Government to the Bondholder, for which the full faith and credit of Germany are pledged".
- b) The Service is secured:
 - 1) as to one-third by the general revenue of the German Government;
 - 2) as to two-thirds by a charge on the unconditional annuity of RM 612 million which the German Government has undertaken, in the New Plan, to pay to the Bank for International Settlements in "currencies other than the Reichsmark."

- 3 -

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c) The service of the Loan benefits, up to two-third, by the guarantees provided by the New Plan for the payment of Reparations, namely by the charge placed upon the special tax payable to the German Government by the German Railway Company and by the undertaking given by the German Government subject to the charge securing the German External Loan 1924 to reserve free from any charge the proceeds of the Customs, the Tobacco Taxes, the Beer Tax, the Tax on Spirits (Administration of the Monopoly) and such additional revenues as may be required by the Bank for International Settlements pursuant to the conditions contained in the Hague Agreement.

3. The service of the Loan was effected with regularity by the German Government until the beginning of 1933.

It was not affected by the Hoover Moratorium and the suspension of reparation payments, the London Protocol of the 11th August 1931 (Article 1) and the Treaty of Lausanne of 17th July 1932 (Article 7) having expressly exempted the Loan from the facilities granted to Germany.

Difficulties began to appear in May 1933. The German Government commenced no longer to place at the disposal of the B.I.S. the sums necessary to ensure on a gold basis, as provided in the general bond, the interest and amortization of the bonds issued in countries which had depreciated their currency. A few weeks later, the German Government completely suspended the transfer of foreign exchange required for the service of amortization. Finally, the German Government refused as from 1st July 1934, to continue to make through the B.I.S. the necessary transfers for the interest service. Later certain payments were effected outside the conditions of the bond in various countries, as the result of individual arrangements concluded by the German Government.

As Trustee the B.I.S., on each occasion, immediately protests in the most energetic manner against the unilateral and wrongful breach of the undertakings given and expressly reserved the rights of the Trustee and of the Bondholders of the Loan.

4. This summary shows:

a) that the Loan was issued at the request and as to two-thirds for the benefit of the Governments of the United Kingdom, France, Italy, Japan, Portugal and Yugoslavia;

- 4 -

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b) that, as counterpart, these Governments gave as guarantee to the Bondholders of the Loan part of their rights with respect to German reparation payments and the guarantees attaching to these payments;

c) that in spite of the actual interruption of reparation payments and in spite of the wrongful and unilateral breach of the loan contract by the German Government, the Bondholders and the Trustee have preserved all their rights.

In consequence, we trust that the Governments on whose behalf the Loan was issued and who have ceded to the Bondholders in guarantee part of their rights, will take all possible steps as soon as circumstances permit to ensure that the engagements solemnly entered into be respected, that the arrears be paid, and that the service of the Loan be resumed in accordance with the conditions of the international agreements and the contracts which govern it. In our capacity as Trustee of the Loan, we have the honour, by the present communication, to make the formal request that appropriate measures to this end be taken.

This communication is addressed in the first instance to the Finance Ministers of the Governments of the United Kingdom, France, Italy, Portugal and Yugoslavia respectively, which Governments as promoters and beneficiaries of the Loan are particularly called upon to watch over the interests of the Bondholders.

The present letter is also being sent to the Finance Ministers of the Governments of Belgium, Greece, Holland, Poland, Roumania, Sweden, Switzerland, and the United States, these countries being directly concerned either through the issue of an important tranche of the Loan on their markets, or as Creditor Governments under the Hague Agreement of January 30, 1930, or in certain instances as both.

I have the honour to be, Sir,

Yours most respectfully,

(signed) T. H. McKittrick

President

ATTACHMENT G

30

(COPY)

DEPARTMENT OF STATE
WASHINGTONIn reply refer to
FN 462.00R 295 S.I.S./
5-545

SECRET

The Acting Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and encloses a letter dated May 2, 1945 addressed to the latter by Mr. Thomas H. McKittrick, President of the Bank for International Settlements, with the enclosure thereto, relative to the rights and obligations of the Bank in connection with the functions assigned to it under the Hague Agreement of January 30, 1930.

The letter and its enclosure were forwarded to the Department by the Embassy at Bern, Switzerland, at the request of Mr. McKittrick.

Enclosure:

As above-described

COPY

ATTACHMENT H

31

BANK FOR INTERNATIONAL SETTLEMENTS

BASEL, 2nd May 1945.

THE PRESIDENT

BY AIR MAILThe Secretary of the Treasury,
Washington, D. C.
U.S. America

Sir,

I have the honour to inform you that the Bank for International Settlements in fulfilling the functions assigned to it under the Hague Agreement of January 30, 1930, acquired during the years 1930 and 1931 substantial investments in Germany and that the Bank today holds a large part of the portfolio which thus came into its possession. The rights and obligations of the Bank in this connection have been set forth in a letter which is being addressed to the Ministers of Finance of the countries who signed the Agreement mentioned above. For your information and records a copy of this letter, as put before the Chancellor of the Exchequer in London, is enclosed.

I have the honour to be, Sir,

Yours most respectfully,
(Sgd.) T. McKittrick
President

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COPY -

ATTACHMENT ✓

BY AIR MAIL

The Chancellor of the Exchequer,
H.M. Treasury,
Whitehall,
London, S.W.1.

Sir,

I have the honour to submit to you herewith a summary of the rights and obligations of the Bank for International Settlements arising out of the Hague Agreements of 1930.

These Agreements have established a legal connection between the British Government and the B.I.S. with reciprocal rights and obligations. In view of the decisions which the Governments concerned may have to take when the appropriate time comes in connection with the application or the possible amendment, of the said Agreements, I am submitting to you, for such steps as you may consider desirable to take, the following observations.

This summary is also being communicated to the other Creditor Governments under the Hague Agreements.

In January 1930, at The Hague, the German reparation problem formed the subject of a number of Agreements, the principal of which were the agreement with Germany and the Convention with Switzerland.

The agreement with Germany comprised two annexes which are important for our purposes, namely the Debt Certificate of the German Government (Annex III) and the form of Trust Agreement (Annex VIII). The Convention with Switzerland contains the Constituent Charter and the Statutes of the B.I.S. Further, the agreement with Germany lays down that the Experts' Report of 7th June 1929 forms an integral part of the documents approved at The Hague.

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- 2 -

The Hague agreements of 1930 form a legal whole, each individual document being linked with the others by definite references, and serve as the basis of the rights and obligations of the parties.

In virtue of these Agreements, the B.I.S.: (i) was founded by the central banks designated for this purpose; (ii) was required to carry out various functions in connection with Reparations, and (iii) concluded with the Creditor Governments the Trust Agreement provided for in Annex VIII to the Agreement with Germany.

II. The rights and obligations of the B.I.S. arising out of the Hague Agreements may be summarized as follows:

1. The general functions of the Bank

In addition to the general objects fixed by Art. 3 of its Statutes, the B.I.S. was given special tasks concerning the application of the Plan, which are summarized in Art. 4 of the Statutes.

2. The B.I.S. Trustee of the Creditor Governments

On 17th May 1930 the Bank concluded with the Governments referred to as "the Creditor Governments" a Trust Agreement, which is in conformity with Annex VIII of the Hague Agreements and expressly refers to the Plan.

The obligations of the Bank, as Trustee for the Creditor Governments, include the receipt and entry to the credit of an "Annuity Trust Account" in the name of the said Governments of a) all sums received from the Agent General for Reparations on winding up his accounts, b) the funds to be received each month from the German Government in conformity with the Plan (Art. II of the Trust Agreement).

The Credit Governments may freely withdraw the sums credited to their account except a) the "minimum deposits" without interest which these Governments are required to leave in the Annuity Trust Account for the duration of the Plan and which are fixed at a total equivalent to 125 million Reichsmarks; b) the amounts in Reichsmarks necessary for the settlement of deliveries in kind. (Art. IV and V of the trust agreement.)

- 3 -

In the Trust Agreement the U.I.S. expressly takes note of the following obligations entered into by the German Government in the Debt Certificate:

The German Government undertakes to maintain at the Bank, during a period up to 31st March 1968, a non-interest-bearing deposit equivalent to 30% of the deposits of the Creditor Governments, that is to say, a minimum of RM 62.5 million. (Art. IX of the Trust Agreement.)

The German Government is required to deliver to the Bank and the Bank has the right and the duty to demand in payment of the monthly installments under the Plan "currencies other than Reichsmarks" subject to the proviso that the Bank may accept RM for an amount equal to the fraction of the annuity payable in the form of Deliveries in Kind under the Plan.

All sums, even those payable in currencies other than the RM, are calculated in RM, but the German Government has given the undertaking "that the RM shall have and shall retain its convertibility in gold or foreign exchange as provided in Section 31 of the Law of the 30th August 1924, and that, in all circumstances, for the general purposes of the Plan, the RM shall have and shall retain a mint parity of 1/2780 kilogramme of fine gold, as defined in the German Coinage Law of August 30, 1924." (Art. III of the Trust Agreement and Art. VI, Part 6, of the Experts' Report.)

3. Intervention of the Bank provided for in the Plan.

Apart from the rights and obligations defined in the Trust Agreement, the U.I.S. has received under the Plan other rights and obligations of great importance, which constitute the essence of the new financial mechanism substituted by the Young Plan for that of the Dawes Plan.

The Bank must in fact, by the terms of the Plan, set up "machinery which will provide an elastic element between the payments to be made by Germany and their realization." "In consequence, the Creditors will have further assurance that the effects of economic changes on the flow of payments will be minimized, and Germany, for her part, will have the possibility of assistance during temporarily unfavorable conditions." (Art. 54, Part 6, of the Experts' Report.)

- 4 -

The Bank must intervene in order to forestall "circumstances which might of themselves lead to a transfer postponement." (Art. 60, Part 6, of the Experts' Report.)

The measures to be taken by the Bank are defined in the Plan. They are in particular:

a) Direct assistance to the Reichsbank in the form of short-term credits in foreign exchange which will provide "temporary assistance in transferring the annuities";

b) Indirect assistance in the form of investments in Reichsmarks on the German market, in agreement with the Reichsbank, of part of the annuity receipts, which will have the effect of "returning to the German economy" part of the annuity, the Bank's credit mechanism making it possible "to provide the foreign exchange with which to pay the current allotments to the Creditors on account of the annuity". (Art. 60, Part 6 of the Experts' Report.)

Not only is it the function of the Bank to intervene in order to prevent the risk of an interruption in transfers, but it is also laid down that the second measure, that of investing within Germany some portion of the annuity receipts, should also find its uses in normal times. (Art. 70, Part 6, of the Experts' report.)

The limits of the intervention required of the Bank are also fixed: "Both measures are necessarily limited by the funds which the Bank will have at its disposal and by the requirement that it maintains its liquidity at all times." (Art. 70, Part 6, of the Experts' Report.)

4. Guarantees provided for the U.I.S.

Important guarantees have been given to the Bank.

a) By the terms of Art. X of the Agreement with Germany "The Bank, its property and assets and also the deposits of other funds entrusted to it, on the territory of, or dependent on the Administration of, the Parties shall be immune from any disabilities and from any restrictive measures such as censorship, requisition, seizure or confiscation, in time or peace or war, reprisals, prohibition or restriction of export of gold or currency and other similar interferences, restrictions or prohibitions." This article applies, inter alia, to investments made by the Bank on the German market.

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b) In addition--and this for the Bank is an essential guarantee--the Bank, which had the responsibility under the Plan of fixing the time and extent of its interventions on the German market, had also not only the right but the practical means of reducing or of removing its investments on that market at any time which it might consider opportune and in any case before the end of the period of application of the Plan.

The Bank had, in effect, the right and the obligation of demanding each month from the German Government in "currencies other than Reichsmarks" and at the rate laid down by Art. 91, Part 8, of the Experts' Report, the sums fixed by the Plan. The Bank also had the choice (but not the obligation) of accepting in Reichsmarks the sums necessary for the payment of deliveries in Kind. (Art. 79 of Annex I of the Experts' Report and Art. III of the Trust Agreement.)

In reducing its investments in Germany when it considered desirable, the Bank had merely to utilize for the payment of deliveries in Kind (of which the minimum amounts were fixed by Art. 134, Part 8, of the Experts' Report) the Reichsmarks previously acquired and to demand from the German Government at the time of the monthly payments a higher proportion in "currencies other than Reichsmarks". In other words, after having, at the time of its interventions, purchased more Reichsmarks than was necessary for the payment of Deliveries in Kind, the Bank possessed in the mechanism of the Plan itself the means of converting these Reichsmarks into "currencies other than Reichsmarks" at the rate laid down by the Plan as soon as it considered desirable and in any case before the end of the period of application of the Plan.

It is recalled that by the terms of Art. 149 of Annex IV of the Experts' Report "the liability of the German Government with regard to the annuities contemplated in this Plan is not fulfilled until all sums, the sums, the transfer or payment of which may be from time to time postponed, have actually been transferred in full to the Bank for International Settlements in approved foreign currencies, or utilized for Deliveries in Kind."

III. The Bank has fully carried out its obligations

The Bank has fulfilled all the obligations laid upon it by the Hague Agreements.

As expressly required, and in particular by Art. 69 and 70, Part 6, of the Experts' Report, the Bank has done all in its power to prevent an interruption of transfers. With this end in view the Bank progressively increased, as from July 1930, its investments on the German market.

As the situation became critical in May-June 1931, it increased its intervention to the maximum in the two ways expressly stated in the articles quoted above:

a) It participated to the extent of one-quarter with the Federal Reserve Bank of New York, the Bank of England and the Bank of France in the short-term credit of \$100 million opened in favor of the Reichsbank.

b) It increased its investments on the German market to the maximum compatible with its means and with due regard to its liquidity.

In July 1931, the Bank had thus invested in Germany, in addition to the sums necessary for the current payments for Deliveries in Kind, an amount equivalent to:

(i) The total of the resources at long term at its disposal under the Plan (minimum deposits of the Creditor Governments and the deposit of the German Government);

(ii) an important fraction of its own funds.

The Bank had thus fulfilled all the obligations incumbent upon it within the limit of its means, due regard being taken to its liquidity.

IV. Hoover Moratorium and de facto suspension of the application of the Plan

On the 30th June 1931, the President of the United States proposed the suspension for one year as from 1st July 1931 of all payments in connection with inter-governmental debts, and the governments concerned agreed to such provisional suspension.

On the 23rd of July 1931, the late Rt. Hon. J. Ramsay MacDonald, Chairman of the conference which had met in London officially communicated to the Bank a joint declaration of the representatives of the Governments of the United States, Belgium, France, Germany, Italy, Japan and the United Kingdom. This declaration recommended:

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1) that the credit recently granted to the Reichsbank by the central banks and the R.I.S. should be renewed at maturity;

2) that concerted measures should be taken by the financial institutions of the various countries in order to maintain the volume of credits they had so far granted to Germany.

The R.I.S. was also invited to constitute without delay a Committee to consider the further credit needs of Germany.

On 19th November 1931, the German Government requested in conformity with Art. 118, Part 8, of the Experts' Report, the convocation of the Special Advisory Committee provided for in the event of the suspension of the transfer of the postponable part of the Annuities.

As a result of the report presented by this latter Committee, a conference of the interested Governments met in Lausanne in June 1932.

Pending a final settlement, provisional measures were taken (declaration of 16th June 1932) to suspend all payments other than the service of the loans.

On 9th July 1932, an agreement was signed which included a final settlement replacing the annuities under the Hague Agreements. This settlement provided for the deposit by the German Government with the R.I.S. of 5% redeemable bonds for a total of 3 milliard Reichsmarks of the present weight and fineness. The Treaty of Lausanne was, however, not ratified later by any of the signatory Powers.

As the result, the provisional measures have alone remained applicable and since 1932 there has been a de facto suspension of the annuity payments fixed by the Hague Agreements without these agreements having been repealed or replaced by any new valid text.

V. The present position of the R.I.S. with respect to the Hague Agreements

1. On 31st March 1945, the R.I.S. possessed investments on the German market to a total of about RM 237 million.

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These investments represent the remainder of its interventions on the German market under the Plan. In fact the Bank, considering that it had fulfilled its obligations to the maximum, has since then confined itself to facilitating the reimbursement of the short-term credit in dollars to the Reichsbank (which was completed in April 1933) and to ensuring the payment of deliveries in kind by means of funds set aside for this purpose. In addition, the Bank has been able during the course of recent financial years slightly to diminish the total of its investments.

The Bank, on the other hand, is debtor:

a) towards the Creditor Governments in respect of the non-interest-bearing balance of the Annuity Trust Account for a total equivalent to RM 125 million (Art. IV (e) of the Trust Agreement);

b) towards the German Government in respect of its long-term deposit of RM 62.5 million (Art. IX of the Trust Agreement).

2. The rights and obligations of the R.I.S. as creditor and debtor under these various headings have not been altered by the suspension of annuity payments, which, as already stated, was not accompanied by any instrument which could validly modify the previous legal position.

If, owing to the suspension of the payments provided for in the Plan, the Bank has suffered material damage (loss of the commission provided for in Art. XVIII of the Trust Agreement) and if it has been deprived, during the period of payments suspension, of the means of ensuring, as it would have been able to do when monthly payments were made, the reimbursement of its investments on the German market, the Bank has nevertheless regularly received the interest on its holdings at the rate of exchange laid down in Art. 91, Part 8, of the Experts' report.

So long as the application of the Plan is merely suspended in this manner, the essential rights of the Bank have suffered no final harm and the Bank, placed in these circumstances, can only reserve the right of asserting them at the time of a final settlement.

Under its Statutes, the Bank is in any event required to hold itself entirely aloof from political questions which are the exclusive sphere of the interested Governments.

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The Bank, therefore, had not to interfere in the relations between these Governments and it must maintain this attitude in future, except naturally in cases where it becomes a question of exercising the incontestable right of satisfying itself that the guarantees concerning the service and the future reimbursement of investments in Germany made by the Bank under the Plan are either simply maintained and respected or replaced by advantages and guarantees of equal value.

Having thus summarized the rights and obligations resulting for the Bank from the texts in force, I venture to draw attention to the following points to which events may shortly give practical interest:

1. In view of the obligations it has contracted towards the British Government in conformity with the stipulations of the Trust Agreement, the B.I.S. requests not only that the said Government abstain from any action which may affect its rights but also that the said Government do all in its power, as soon as circumstances permit, to place the Bank in a position to exercise the rights which it possesses under the Hague Agreements.
2. If any treaties, agreements or other instruments to which the British Government becomes a party, modify finally or annul totally or partially, explicitly or implicitly, the Hague Agreements and the texts annexed to these Agreements, the B.I.S. will request that this modification or this total or partial, explicit or implicit annulment shall not deprive it of the essential rights granted to it by previous instruments to which the British Government has been a party, unless the Bank be given compensation which it accepts as the equivalent.

I have the honour to be, Sir,

Your obedient servant,

(signed) T. H. McKittrick

President.

COPY

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ATTACHMENT J

Excellency:

I recently received two letters from Mr. McKittrick of the Bank for International Settlements, each dated May 2, 1948. I note from one of these letters that you received a similar communication.

I do not contemplate answering the letters addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I would appreciate your advising me how you expect to treat this communication.

Very sincerely yours,

Secretary of the Treasury

His Excellency Rene Pleven
The Minister of Finance
Paris, France

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COPY

ATTACHMENT K

My dear Sir John:

I recently received, from Mr. McKittrick of the Bank for International Settlements, a copy of a letter, dated May 2, 1948, which he sent to you. Mr. McKittrick also sent me a letter of the same date from which it appears that you have received a similar communication.

I do not contemplate answering the letter addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I would appreciate your advising me how you expect to treat these communications.

Very sincerely yours,

Secretary of the Treasury

The Right Honorable,
Sir John Anderson,
Chancellor of the Exchequer,
H.M. Treasury,
Great George Street,
London, S. W. 1, England

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COPY

ATTACHMENT L

Excellency:

I recently received from Mr. McKittrick of the Bank for International Settlements, a letter, dated May 2, 1948, and a copy of a letter of the same date which Mr. McKittrick sent to the British Chancellor of the Exchequer.

I do not contemplate answering the letter addressed to me. Since you likewise participated in the United Nations Monetary and Financial Conference, which unanimously recommended the liquidation of the Bank for International Settlements at the earliest possible moment, I am sending herewith copies of these letters to you for your information.

Very sincerely yours,

Secretary of the Treasury

His Excellency,
Mr. Arthur de Souza Costa,
The Minister of Finance,
The United States of Brazil,
Rio de Janeiro, Brazil

June 22, 1945
10:43 A.M. 44

HMJr: Hello.

Senator McKellar: Mr. Secretary?

HMJr: Henry talking.

M: Yes, this is McKellar.

HMJr: Good morning. (Laughs) (started to say Good afternoon)

M: I hope you are feeling in a good humor, like you laugh.

HMJr: (Laughs)

M: I'll tell you what I wanted to ask you.

HMJr: All right.

M: Down in my state - at Nashville, Tennessee, we have an agent in charge by the name of Mr. Polk.

HMJr: How do you spell that?

M: Polk.

HMJr: Yeah.

M: His term is out, or he is resigning - going to give up the office. And I have recommended and Senator Stewart has recommended a man by the name of Joseph W. Hale. Would you take that down - Joseph W. Hale.

HMJr: I'm taking it down, yeah.

M: He was my collector down there for a while and made a splendid one.

HMJr: Yeah.

M: Collector of Internal Revenue. He's very familiar with it, and he's very wide awake and well educated and highly qualified man, and we have recommended him. Senator Bankhead, Senator - I'll tell you soon as I can think of it - Hill, have recommended somebody from Alabama.

HMJr: Yeah.

- 2 - 45

M: The office is in Nashville, but it seems that Alabama is included in the district.

HMJr: I see.

M: And I want you to look into it yourself, if you will. You'll find Mr. Hale is a very qualified man, and if you can see fit to recommend after looking into it, I think he would appreciate it.

HMJr: Now, just so that I understand it - what is the position, Senator?

M: The position is Agent in Charge. It is under Mr. Nunan.

HMJr: Oh, yes.

M: Agent in Charge, and he'll come to you about it, of course.

HMJr: Fine. Well, I'll give it my personal attention - I'll look into it very promptly and before I do anything I'll have another talk with you.

M: Thank you, sir.

HMJr: It will be a pleasure.

M: Thank you very much.

June 22, 1945
10:58 A.M.

Congressman
Ludlow: Hello.

HMJr: Congressman?

L: Yes, Mr. Secretary.

HMJr: Mr. Hannegan just left.

L: Yes.

HMJr: And he said that - he authorized me to say that in regard to this Collector Smith.

L: Yes.

HMJr: ..that he, Hannegan, was doing it under direct instructions from President Truman.

L: You don't say.

HMJr: Yeah. He said this is something that President Truman asked him to do.

L: Well, I'll be....

HMJr: He said he would call you himself if you wanted him to...

L: No, no...

HMJr: What?

L: The President is the boss.

HMJr: Well, that is the way I feel.

L: I don't - can't conceive - unless it is some political maneuver that I don't know anything about.

HMJr: Well, I don't either, but he said that he was operating directly under the instructions of President Truman.

L: Ahuh. Well, now, Mr. Secretary, when we talked this morning - I told this man he could call on you this afternoon.

HMJr: That's all right.

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L: And I wouldn't know where to reach him to call it off.

HMJr: Why not let him come and I'll tell him just that.

L: It will be all right for him to come?

HMJr: I think it is much better. I know if - to let him tell him the truth.

L: Yes, well, I think so too. If you feel...

HMJr: I'll tell him.

L: I think so and....

HMJr: And the agony.

L: You understand then that it is an accomplished thing, that is....

HMJr: He said he had a list from President Truman of changes he wanted to make, and one of them is Collector Smith.

L: Well, then that alleviates the matter a little bit. It wouldn't be entirely confined to Indianapolis then, there would be a number of changes over the country?

HMJr: That's right.

L: Well, I'll tell him. Maybe that will soften it a little bit.

HMJr: Yeah. Now there is a list that he has of other places and this is one of them.

L: Well, thank you kindly.

HMJr: Thank you.

L: I appreciate your calling me up.

HMJr: But that is what he told me. He is going by plane, and he said he would call you himself, but I said no that I would spare him and call you.

L: Well, I appreciate your kindness.

HMJr: Thank you, sir.

L: Goodbye.

June 22, 1945
2:30 p.m.

NEGOTIATIONS WITH CHINA

Present: Mr. White
Mr. Coe
Mr. Friedman
Mr. Adler
Dr. Kung
Mr. T. L. Soong
Mr. Chi
Mr. Hsi Te-mou
Mrs. Klotz

H.M.JR: All right. It is forty-one point nine.

MR. WHITE: That is what the figures make.

H.M.JR: Why don't I let them come in and do the talking?

MR. WHITE: There is one further point. They would like to make a settlement for the next three months, and you told Kung that any time he is ready you are ready. He is ready right now, and we have the data. If you tell me now you want to go into it, I'll tell you what it is, but if you want to postpone it, you can.

H.M.JR: He is catching a train.

(Dr. Kung, Mr. Soong, Mr. Chi, and Mr. Hsi Te-mou enter conference.)

(Discussion off the record.)

H.M.JR: Have you got it all settled?

MR. WHITE: Yes, I think so. Well, we are in agreement. If you can get Dr. Kung to agree, then we would all be in agreement, and that adjustment which we thought was very reasonable, in fact more than reasonable, was based on the changes in prices and the cost of living there, and as I suggested to you before, it works out to forty-one point nine million dollars for the last three months. That

approach is the one which we think is the most reasonable one unless we want to go to exchange rates and gold premium in which case we would arrive at a figure that is much lower.

H.M.JR: And I am too old to see that negotiation through. I wouldn't live that long.

MR. WHITE: The premium on gold and currency is high and is rising rapidly.

H.M.JR: Has the gold begun to move?

MR. WHITE: Yes. We just arranged this morning for a shipment of--what is it a week?

MR. FRIEDMAN: Seventeen million extra by air.

H.M.JR: I see they made some arrests in China. Was that before this new gold came?

DR. KUNG: I think so, yes.

H.M.JR: There were three or four arrests.

MR. WHITE: I thought they lost their heads--the fellows they arrested.

MR. ADLER: The people in the Army.

H.M.JR: Yes, I saw -- no, it didn't say who they were -- a little release in the paper. The Minister of Finance had a statement. Did you see it?

MR. CHI: I haven't, have you?

MR. WHITE: Some time ago there were some.

They are going to get seventeen million additional in a very short time, because we have some extra space on Army planes, so that would make it ahead of the schedule.

DR. KUNG: Well?

H.M.JR: Well?

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DR. KUNG: You have to find words.

H.M.JR: I just said, well?

MR. WHITE: They would like to round it off, the forty-one.

H.M.JR: The forty-one?

MR. WHITE: Yes, the forty-one.

DR. KUNG: Make it forty.

MR. WHITE: This being the year 1946, they wanted forty-five. (Laughter)

H.M.JR: Well, they have gone into it, and we still think that forty-one decimal nine is a good figure.

DR. KUNG: Well, they say, of course, that different counsels come to different results, and if I might say that, Mr. Secretary, this is not a case of straight business, huh? It is a case of cooperation, and if I may recall when the late President, Mr. Roosevelt, said in the next few months it was twenty-five, we saw that it was too little, but we accepted it because of what the President said. I said, "All right." I came here, and you all may say, yes, in the next few months twenty-five, and for the next few months it would be twenty. That was not based on what the President said. We didn't say much about it.

But since that time the prices have gone up in China, sure, but your personnel who are spending the money in China, has increased. This is, of course, a case now of close cooperation in order to win the war. Now, the European war is closed. We are all centralizing our efforts to beat the Japanese, to finish the war sooner, not only to save money, but to save lives, and you, more than anyone else.

I came to this country on your invitation. I came

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to the Bretton Woods conference, and throughout the conference you emphasized the soundness of currency, and now I congratulate you and Dr. White. The scheme has gone through the Congress. Soon we will put this into execution, and you know better than I or anybody else how the situation is in China today and why I came.

I saw the President several times and he tried to find ways in order to help China economically so that China would be strong, not only to fight the war, but after the war. We are now at a higher stake for the world of peace and security. As far as forty million, forty-five million, sixty million, fifty million--those are small amounts. I'll take anything from you. If you say, "I give you one dollar for your work in this country," I would take one dollar for a year. Mr. Secretary, I take the dollar back, so it isn't a matter of only a few dollars or cents.

H.M.JR: Mr. Soong is smiling.

DR. KUNG: He agrees with me.

H.M.JR: I don't think he would smile at one dollar, though.

DR. KUNG: It is a case of cooperation, and so on. America has a great name in China among Chinese officials and the people, and respect, and under your administration we have dealt many times, and in a time of crisis you have tried to help China, I know, more than anybody else. It is the wish of the American people. It is the policy of your government. It has been your own desire, so I would not just ask or argue whether the figure is right or wrong. I leave that to you. Any figure you name is all right, but I just want to give this thought to you for the sake of the past and cooperation for the future, and I think that is a bigger issue, and a few millions more or a few millions less, well, of course, it would work a hardship on the poor Chinese people. We are spending much money, and so it doesn't matter much, but there is one thing I want to just mention and call your attention to, and that is after this war--how long this war is going

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to take, nobody knows--I hope we could whip the Japanese within this hour, year.

H.M.JR: I'll take the hour.

DR. KUNG: But somebody said it will take another year. I saw a statement made by Stilwell in which he said two years. Inflation in China is getting really very, very bad. Tomorrow it will be one year since I arrived in this country.

H.M.JR: Is that so?

DR. KUNG: Yes. You remember I came down the twenty-third. Today is the twenty-second. Since then, the situation has become very much worse. Now, the people in China are puzzled. The government is worried. You know there are elements in China that seize an opportunity to attack the government, and so on, and I know it is the desire and your wish to strengthen the hand of the Chinese government so that we could do our best to cooperate with you, not only to win the war but to win the peace. Mr. Secretary, you know you have achieved something internationally through your Bretton Woods scheme. That scheme is going to help to stabilize the world trade, and in order to have world trade, you can have stabilized currency. In order to bring profit to your manufacturers, work to your laborers, you can have the other countries have the power to buy from your country.

On this China has helped to meeting that position. If the economic rate of China should collapse, if her currency should break, you know what that would mean. In your letter and also in the telegram from the late President where you ask me to come to this country, it says that not only to settle this, but to talk about the future cooperation and future stabilization, and so on and so forth. And now I am afraid I shall have to leave this country very soon now.

H.M.JR: That's too bad.

DR. KUNG: But I should want to carry some message back from you to my people, to my government, and I should

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like to have some assurance so that my people, my government's officials will be encouraged to put more strength and effort to cross the Japanese as soon as possible, and then they do have the chance, the opportunity, to cooperate with America and with you.

That is all I want.

H.M.JR: Well, Dr. Kung, you know that my government for seven years now, I think, has cooperated with you in this mutual effort that we have had. Again and again we have tried to demonstrate our friendship in many ways.

DR. KUNG: Yes. We appreciate that.

H.M.JR: And I am sure that President Truman will continue the same policy--

DR. KUNG: Yes. He assured me of that.

H.M.JR: ...toward China that President Roosevelt did, and we have tried to arrive at a fair estimate. It is very difficult in these fluctuating rates of exchange to figure, because any correspondence or any remarks that President Roosevelt had with any members of your government were on expenses of our Army incurred up to the first of July, I think. I don't think there was anything mentioned after the first of July. I mean, he didn't make any remarks as far as I know, after the first of July. And this settlement is from July, or October--

MR. WHITE: October 1 to January 1.

H.M.JR: October 1 to January 1. But, anyway, we want to carry on in his spirit, but I don't know just what you gentlemen had in mind. We thought that forty-one.

MR. WHITE: That makes about fourteen million a month.

H.M.JR: Am I wrong that you people were about satisfied with forty-one million nine hundred thousand?

DR. KUNG: No. They were negotiating.

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MR. WHITE: No. They have not agreed to that.

H.M.JR: What figure did they have in mind?

MR. WHITE: Well, they have--

H.M.JR: Excuse me, what figure have they in mind now?

MR. HSI TE-MOU: With your permission, Mr. Secretary, we three have been asked by Dr. Kung to study this, and we have mentioned a figure as high as sixty based on the previous period, twenty million a month, and we have now come down and recommended fifteen million a month, or forty-five.

H.M.JR: Pardon?

MR. HSI TE-MOU: We have recommended fifteen million a month for this period of October 1 to January 1, or forty-five. This is our recommendation.

H.M.JR: Is that Dr. Kung's recommendation?

DR. KUNG: No.

H.M.JR: Will Dr. Kung accept that?

DR. KUNG: I tell you, Mr. Secretary, you can give anything you want. You can give me one dollar, and I won't argue with you.

H.M.JR: That is the recommendation of these three gentlemen?

MR. SOONG: Mr. Secretary, the reason that we arrived at this figure, after, of course, our first figure of sixty, fifty-five, and fifty, is that we finally, the three of us worked together, and we arrived at this figure, not arbitrarily, but also taking into consideration some of the actual facts, average purchasing power of it, and between the three we reduced it to twenty-five million less sixty. Therefore, we arrived at forty-five.

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MR. HSI TE-MOU: Twenty-five percent higher according to price index.

MR. SOONG: We reduced it to twenty-five million less sixty million, and we arrived at forty-five, and we mentioned to Dr. Kung at the time Dr. White was testifying, and we said we would take it on our own facts to settle it and told Dr. Kung that as he had asked us to settle it the way we can over here. We say we will recommend that to twenty-five.

H.M.JR: Dr. Kung is staying up in the mountains, huh? You don't want to get down.

MR. WHITE: Mount Olympus.

H.M.JR: I would like it if you gentlemen would just stay here. I will take my people, if you don't mind, and go to the other room, if you would wait.

(The Secretary, Mrs. Klotz, Mr. White, Mr. Coe, Mr. Friedman and Mr. Adler leave conference temporarily.)

H.M.JR: Well, we have been talking this thing over and the thing that influenced me the most to meet you three gentlemen, seeing that Dr. Kung is on the mountain, is this very fine military effort which your soldiers are making. I think that we should do everything we can from the Treasury end to encourage the Chinese government to carry on in their program to kill Japanese. If, by raising our figure slightly, we make it possible for Dr. Kung to go back and say that this is a fair adjustment, why, we are prepared to say fifteen million dollars a month with the understanding that this request from the Army which is coming, that the Army may have a subsequent claim which Mr. White has just informed me about and which may come in six months or eight months from now. But the Army is worried that they have some figure about some alcohol expenditures, or something.

MR. WHITE: Some other things that they have spent for the Chinese, or the money was obtained from the Chinese.

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H.M.JR: And the Army has asked us to put in an exception. Are you people familiar with that?

MR. SOONG: Mr. Secretary, I think January, February, and March--

MR. WHITE: No, the Army has informed us recently that there have been a number of items that have come to their attention, and it is only part of what they will be able to ascertain, they hope, in the not too distant future of expenditures that were made for the Chinese out of the funds obtained from the Chinese. They don't know what it is yet, and that has been made in the past, not 1945. In 1945 there are some, too, but this is throughout 1944.

H.M.JR: We frankly don't know what it is.

MR. CHI: I wish to point out that our original figure for this period for three months was ten point seven billion, see? Now, we only settled for eight billion because these two point seven billion include this kind of unsettled accounts.

MR. WHITE: I tell you, Dr. Chi, that deduction we made was on expenditures they have already informed us of--am I correct--as to the specific amount.

MR. FRIEDMAN: That's right.

MR. WHITE: They now tell us there are some expenditures which they have not informed us about. We don't know what it is.

H.M.JR: We are embarrassed. We don't know what they are.

MR. WHITE: But we have to take cognizance of their information. It came in a letter to us. We are handicapped because we can't even indicate whether it is small or large, but we have to leave it up for later adjustment, and there will be an opportunity for you to question the data or to trim the data if and when we get it. They may not get it for another three or five or

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six months.

DR. KUNG: Well, this settlement is only for the eight billion for which we thought there was no question, but now from what Dr. White says there seems to be some claim which is in the eight billion.

MR. WHITE: Within the eight billion?

DR. KUNG: Yes. That's all right. If, and this is really a justified claim with a settlement included and for eight billion dollars now settled--if there should be some claim within the eight billion dollars, all right.

MR. WHITE: There will be a proportional adjustment. It may be very small or it may be large. I haven't the slightest knowledge whether it is very small or large. They have not been able to give us any information at all.

MR. COE: It is nothing new in principle. In principle I think we are all agreed.

H.M.JR: Well, as long as Dr. Kung understands that it is within the eight billion, that we don't know what it is. It may be very small or it may be a considerable amount, but anyway, we have discussed whether we should withhold an amount from the forty-five million, and we decided now we would go ahead and pay you forty-five million dollars for October, November and December, with the clause in there saying that which the Army has asked us to put in.

DR. KUNG: Yes. This is a settlement for the eight billion. If in the future the Army should produce some figures and proof which would evidence that there is some refund to be made, well, we can make it, make an adjustment in proportion.

H.M.JR: That's all right. All right, sir.

DR. KUNG: Well, now, probably this will be the last meeting I have had with you, Mr. Secretary, and I first

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want to thank you for your personal kindness to me and for your cooperation, including your staff and your associates. I appreciate it very much. It has been a pleasure for me to associate with you and to deal with you between representing our two governments. Before I leave I want to put a little thing on the record to express my heartfelt thanks.

But as the war is progressing in the Pacific, the things in China are getting bad as far as inflation is concerned. Prices are high, and that is because of the depletion of currency. That was brought about by the black market, and when there is a black market you always give speculators a chance to play on the market and keep it up or down all the time which is neither helpful for the war effort nor good for the economic stability.

I raised the question with you once and you said you would be glad to discuss it with me and to find some solution. I just want to leave this thought with you. Of course, owing to the shortness of time--it is a big question--we can't go into detail fully this afternoon, but I had a chance to talk with Dr. White the other day. I was benefitted by some of the observations which he stated to me. However, my government is greatly concerned over this. I think one of the reasons they are urging me to go back is because it is getting worse. They want to have some solution, some settlement, and I stated that to Dr. White. "Of course," he said, "The present rate of exchange, it was made a long time ago. Now it is out of date. It is a question whether we should authorize a rate of exchange now or wait until a time, a proper time to make the change so that it will stay, instead of making it today or tomorrow and then later you have to make it again, which would destroy further the confidence in the currency, and disturb the people's mind."

However, I think some solution should be followed. I realize your boys come to China to fight. Well, their parents, their friends, probably, would send them now and then a few dollars as pocket money. They, too, of course, want to get the best rate possible. I realize the rate we give to them, of course, is out of proportion now officially,

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and while the black market, too, continues, it is going to destroy the confidence and distort the effort in this war.

Therefore, I would like to have some idea from you what is the best way to do it. Could we come to some arrangement whereby only our military men have a few dollars that they want to exchange, and we are willing to give them a special rate, or subsidize something. Once that is done then we can, of course, wipe out this black market. We can do it now, but because of your military men we don't want to do that. But for the sake of the country and for our common effort something has to be done.

H.M.JR: Well, of course, you are raising a very important question, and I know you are taking a four o'clock train.

DR. KUNG: Five o'clock now. I couldn't get the four o'clock. It had no room.

MR. WHITE: It is still important.

H.M.JR: And I would like to have my people discuss this at great length with you. I mean, we have had experience in Italy. We have had experience in France, and we are having experience in Germany. We have learned a little, not much, and this thing, how to ask a friendly government to deal with American soldiers while they are in their country is something that you just can't do very quickly. I think if Mr. White and Mr. Coe and these gentlemen could continue these discussions with your people, maybe we could come to a solution. I agree with you, because you take in France, it is a very serious offense if our men take American dollars and try to buy francs in the open market. They get maybe four times as many francs. Most of them don't because they don't want to go to jail, but it makes them very unhappy. With the two cent rate, maybe they can buy for half a cent if they go on the black market.

This is something we have with us right along, and our soldiers meet the Russian soldiers in Germany, and they

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have another way of doing it. So I think it is something that should be discussed with your experts and our experts--

DR. KUNG: Yes.

H.M.JR: ...with a hope that we can come to a solution, but--and I also hope your government will give serious consideration to the creation of this five hundred million dollar fund.

DR. KUNG: Well, you have my sympathy there.

H.M.JR: I want more than that, though.

DR. KUNG: Yes. I mean, I want your sympathy.

H.M.JR: I want you to come off the mountain on that one. Come down to the trenches.

DR. KUNG: Let us come to the ground. I think five hundred million is not enough. If it were one billion, but we don't have that money. I would like to have a one billion dollar reserve for my country.

H.M.JR: Come to my level in the trenches and we'll work something out.

DR. KUNG: I'll come off the mountain and you come up from the trenches, and we'll meet on the ground.

H.M.JR: I'll see you again before you go?

DR. KUNG: Probably. I'll come back and say goodbye to the President, and if you are here, I'll come in to say goodbye to you.

H.M.JR: I wish you would. It has been a very happy relationship, and I think that both you and I have tried to do everything we can to keep the friendship on a high plane, and I have been very happy to be associated with you this year, as I have since I first met you. I hope that as years go on our association will continue closer and closer.

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DR. KUNG: Yes. Yes. We had a long association before I met you, and I can say the same when I came here. We settled the silver and that only took a few days, but now it took me a whole year to stay here to settle this.

H.M.JR: You got your health back.

DR. KUNG: I would like to have copies of all the conferences that I attended while I have been here, because maybe sometimes I don't talk so plain, and there may be some mistakes. I would like to have copies.

H.M.JR: Yes. We'll get those for you.

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Read by White, Luxford and
O'Connell.

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3:15 p.m.
6/22/45

Dean
Acheson: Hello, Henry.

RMJr: Dean, I think you did a masterful job on the
Hill on this Trade Treaty.

A: Well, I didn't do it at all. I think it was a very
great victory and a very fine thing for everybody.

RMJr: Well, after all you were the State Department's
representative up there.

A: (laughs) Yes.

RMJr: I don't know why you don't want to take a bow.

A: A lot of people did very fine work on it. It was
really a very grand cooperative atmosphere.

RMJr: I was surprised at the end how quickly the thing went.

A: Yes, after that vote on the Committee amendment which
was reasonably close although we did better than we
thought we were going to do.

RMJr: I think it is well for Bretton Woods.

A: Bob Taft told Senator Barkley yesterday afternoon as
they came out of the Chamber - he said "What do you
think this does for Bretton Woods", and Barkley said,
"Why, Bretton Woods is just a walk away now." Taft
said, "I believe you are right about that".

RMJr: Well, that's interesting. Mr. Hull must be very
pleased.

A: Oh, he is very pleased - he's delighted.

RMJr: Well, I just wanted to add my congratulations.

A: Thank you very much, Henry. I talked to Bob Wagner
this morning.

RMJr: Did you?

A: -- on two points.

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HMJr: Yes.

A: I talked with your fellows first up there. One of them was that Randy Burgess wants to testify on Monday, I think, or Saturday - sometime in an executive session, and I said I'd be damned if I thought he ought to be allowed to do that.

HMJr: No, I agree with you.

A: --That if he were going to testify that he ought to come out in the open and say what he had to say.

HMJr: I would insist.

A: Bob said he would. He said he would insist that he did that - not let it slip in the back door and try to knife it.

HMJr: Well, I am awfully glad you did because the two senators for the New York Bankers were third string fellows - the top fellows wouldn't come and now today I read on the ticker what Spoul said and he said we ought to convene Bretton Woods all over again. Well, I am glad he said that.

A: John Williams is testifying now.

HMJr: Is he?

A: At least he was when I left, I don't know whether he was on this afternoon.

HMJr: Now, I would make Burgess come right out in the open.

A: Well, that is what I thought was very important to do.

HMJr: Good.

A: I think Bob will do that. And then I urged him to conclude these darn hearings this week and get this thing out of the Committee the middle of next week so that it can be taken up on the floor the week after. Otherwise it will get entangled with the Treaty.

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HMJr: Yes, that's what is worrying me.

A: And he said he thought Thursday or Friday they should get it out of the Committee. I said I wished they could get it out earlier than that and don't fool with these fellows - you have the vote - to hell with the Republicans. Take it right out on a party vote if you have to.

HMJr: Yesh.

A: I don't see any sense to

HMJr: No, because it would be too bad to get it entangled with the Dumbarton Oaks.

A: Yeah - that will put it over it.

HMJr: And wholly unnecessary.

A: Quite unnecessary if they will just use a little speed. He promised that he would and I spoke to Barkley about it and George about it and Biffle about it.

HMJr: Walter George?

A: Yes.

HMJr: How is Walter George?

A: Well, he's fine - he's all right - He said he would shove. He is anxious to get it through.

HMJr: Good. I don't know how Connolly will be when he gets back.

A: I think he will be all right.

HMJr: You think so?

A: Yes, if we can get it out so it can go through while the Foreign Relations Committee is having any hearings or secret sessions or whatever - they will have to have a week or 10 days.

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HMJr: Is Taft on Foreign Relations?

A: No.

HMJr: Because he told somebody he needed thirty days to study it.

A: The treaty?

HMJr: Yes.

A: I think it all depends on whether Vandenberg will push it. If Vandenberg will push it I think Taft will fold up.

HMJr: Well, Tobey will do everything he can to get it ahead, won't he?

A: Yes, he will and Murdock will and a lot of those fellows are being helpful about it.

HMJr: Good. Well, let me know - my main job these days is getting publicity for Wagner - that's what the boys have asked me to do. I've got him on the Blue Network next week.

A: (laughs)

HMJr: I've got him a few other things and they tell me he has cheered up considerably. (laughs) So that's what I am doing.

A: Well, that's very, very important.

HMJr: They tell me no network wants Wagner so you have to make a real issue of it. Well, anyone I have him on one.

A: Good. Well ...

HMJr: Okay. Goodbye.

A: Goodbye, Henry.

June 22, 1945
3:30 P. M.

HMJr: Hello.

Operator: Elmer Davis calling you.

HMJr: Right.

Operator: Go ahead.

Mr. Elmer Davis:

Hello.

HMJr: Hello, Elmer.

D: Say I got your message about the exhibit situation in Paris.

HMJr: Yes.

D: Now we have two that are in preparation.

HMJr: Yes.

D: The one on the Pacific War in the Ford Building on the . . . We had expected to open on the 15th of June.

HMJr: Yeah.

D: And on account of delay in getting materials, we won't be open until the 4th of July.

HMJr: I see.

D: But it will be quite a show when it gets going.

HMJr: Good.

D: I haven't seen that thing the British have got. I left there about the end of April and it wasn't open yet, but I think ours will be just as good as theirs.

HMJr: I hope so.

D: Now we've got another one on the Air Force.

HMJr: Yes.

D: We are going to have that . . . Then we discovered that wouldn't be big enough, and we got the space under the Eiffel tower.

HMJr: Oh, yes.

- 2 -

D: And the Air Forces' again not being able to get the material to us quite as fast as we expected, we thought we would be able to open that the first of July, and it may be a couple or three weeks later now.

HMJr: Yes.

D: But when we get those two in operation, and it won't be very long now, we are going to have something that will far outstrip anything the British can show.

HMJr: Well, I'm delighted, because the two men that came back to make the survey for the War Bond exhibit, were quite down in the mouth because they couldn't find anything that would let the people know that the Americans had something to do with defeating the Germans.

D: Oh, well, --- well, I don't know that either of these will touch that. But certainly on the Pacific War and on the Air Force and what it has done - we'll be able to give them quite an eyeful.

HMJr: Good.

D: Now I understand our Paris office worked along with your people about the Treasury exhibit.

HMJr: Yeah.

D: What with the help they could give them in translations and things like that.

HMJr: I understand that it was very helpful.

D: So I think that in two or three weeks this situation will be much better.

HMJr: Well, that will be fine.

D: Unless the police keep on socking WAGs over the head that's bound to lead to a certain degree of bad feeling.

HMJr: (Laughs) I would say so.

D: All right.

HMJr: Thank you.

D: Not at all.

HMJr: Bye.

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4:58 P.M.

HMJr: I'm sort of getting your help in sort of remote control. The talk of last night.

Mr. Alan Barth: How did it go?

HMJr: It went all right.

B: Good.

HMJr: The only trouble was that they had this boy who talked so fast nobody could understand him.

B: Oh, dear. I was less help on that than I should have liked to have been.

HMJr: But I --- I'm going to do one Wednesday, and if you are not too busy, we'll work together. I don't like this remote control stuff.

B: Sure.

HMJr: But I did want to call up to say "thank you". And, Alan -- hello?

B: Hello.

HMJr: On that trip that we were talking about.

B: I heard.

HMJr: Oh, you've heard. Who told you?

B: Ted.

HMJr: Well, I think - the request was a reasonable one.

B: Yes, I think so. I understand that there is a possibility that it will come in the Fall.

HMJr: It is, and the offer still holds good.

B: Well, gee, that's wonderful.

HMJr: The offer is still good. If it comes I think it will be right after Labor Day.

B: It sounds marvelous.

HMJr: So the offer is still there.

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B: All right, I'll hold my breath.
HMJr: All right.
B: Will you let me know when you want me?
HMJr: I'll let you know.
B: All right.
HMJr: Thank you.
B: Thanks very much.
HMJr: Bye.
B: Bye, sir.

Commissioner
Nunan:

Hello.

HMJr: Yes, Commissioner.

N: Mr. Secretary, I just got the message that you'd like me over at 10:15. As you recall I told you I had to be in McQuillan's office at four, and I couldn't get on a plane and I'm taking the eleven o'clock train. Now if it won't be long, that's fine, but if it will be any length of time, I'd appreciate it if you can make it earlier.

HMJr: Oh, well, now wait a minute - let's get together. What time were you going -- what would you have done if you hadn't heard from me?

N: I would have come right to the office here at nine o'clock and then taken the 11 o'clock train.

HMJr: You've got - you are scheduled on the 11 o'clock?

N: Yes, sir.

HMJr: Is that right?

N: Yes, sir.

HMJr: I see. Well, now, just a minute -- I can rearrange my appointments because they are inside appointments, see. I'll see you at 10.

N: All right, fine. That gives me plenty of time.

HMJr: That gives you plenty of time.

N: Yes, sir.

HMJr: Now, one of the things - two things I want to find out - what is your impression of that man from Wisconsin. And then this other thing that sort of disturbed me - oh, Gaston and O'Connell told me about this Commissioner from Indiana.

N: Will Smith. Yes, sir.

HMJr: Yep. They said we should change him.

N: Well, Mr. Hannegan called me in a week ago and showed me a letter from the President, in which he told him that he was going along with the

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N: (cont.)

Judgment out there in Indiana on the appointment of a new collector. And that has happened in Arkansas too, you know. In Arkansas both Senators McClellan and Fulbright are on the other side of the political fence of our present collector, whose name was Peadar. And the same situation developed there, and after calling on the President the two Senators came in to see me and told me the President was going to appoint a new collector there. So I said, well, golly, he's been in the service quite some time, can't I call him in and ask him if he wants to resign. And they said that is quite agreeable with me. So I called Mr. Peadar in and he agreed to resign as of the first of August, and then the President is going to appoint a new collector. So when I was over with Mr. Hannegan and he told me about the Indiana situation, he asked me if I would call in Will Smith, tell him that this was going to happen, and he showed me the letter from the President to the effect that it was going to happen. And I said well, that seems to be the fairest thing to do - to give him a chance to resign rather than to be replaced by a new man.

HMJr: Well, it's a new - frankly, I believe in talking directly - it is a new way of doing business around here.

N: Well, if it is - of course, I have never had it occur to me before.

HMJr: Oh.

N: I mean...

HMJr: It's never been done that way before. I mean if they wanted somebody like that done, why they usually talked to me in the first instance. But you and I can have a little talk and come to an understanding.

N: All right.

HMJr: And then we can talk with Hannegan and have an understanding with him.

N: Yes. Of course, it was the first time in either case it has happened since I was Commissioner, but I told both of them and I told Will Smith today, I said, "As far as I'm concerned I don't have a thing to do with either the appointment, the recommending, or anything else."

HMJr: Yeah. I mean I suppose I could say it's dirty

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HMJr:(cont) work and let somebody else do it, but I don't see how I can shirk the responsibility. Then if something goes wrong on the Hill or newspapers - I've got to defend the whole Department.

N: Yeah, well, of course, that responsibility - that becomes the Chief Executives - but however, I'll be over at 10 in the morning. In the meantime, I've one other thing....

HMJr: Yes, quite true -- it is a Presidential appointment, but up to now those things have always cleared through me.

N: Well, this is only a presumption on my part, Mr. Secretary, I presume that the name that they were going to submit to fill the job would have to come through you.

HMJr: Yeah.

N: I imagine that that would be submitted to you.

HMJr: You do the firing and I do the hiring.

N: It looks that way. I don't even do the firing. I try to do the fair thing and when I hear that he is going to be fired, give the man a chance to resign rather than have the position of finding somebody else in his place some morning.

HMJr: Well, we'll have a little talk - and if it is more convenient for you, I'll make it ten.

N: I'll be there at that time.

HMJr: Thank you.

N: The only other thing is I'm sending over to you a report. Some time ago you asked me to get a list of those in the Bureau who are delinquent in their taxes.

HMJr: Yeah.

N: That took some time to do, and in addition, Schoeneman had been doing it and when he left his secretary had to complete it - his former secretary. I have the report now and I'm sending it over to you, and it doesn't show up badly at all.

HMJr: Why don't you bring it over yourself.

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N: I'll bring it over in the morning.
HMJr: Well, if you will.
N: I'll do that.
HMJr: Thank you.

HMJr: They are not going to bring the Charter up right
away before the Congress?

Mr. Harry
White:

Well, that's not news. I told them I saw a news
item in the Star yesterday afternoon expressing the
great doubts that any of the Charter could be taken
up before...

HMJr: Is that your source of information?

W: That's all. It was just...

HMJr: Confidential?

W: No, secret.

HMJr: Secret?

W: That's right. They had to buy a Star to find out.
That was yesterday afternoon.

HMJr: Luxford thought you had something inside.

W: Oh, I see. No, nothing.

HMJr: What?

W: No, nothing.

HMJr: O. K.

W: Bye.

June 22, 1945
5:11 P. M.

June 22, 1945

SUMMARY ANALYSIS OF THE CHARTER FOR
AN INTERNATIONAL ORGANIZATION

The following statement describes the broadening and strengthening of the Dumbarton Oaks Proposals which has taken place at the San Francisco Conference and sets forth briefly the reasons why the various new or modified provisions were proposed and adopted.

PREAMBLE

There was no preamble in the Dumbarton Oaks Proposals but it was felt by a large number of delegates that a statement of ideals and aspirations which would rally world opinion in support of the Charter was needed. The text adopted grew out of a draft presented by Field Marshal Smuts and in general terms expresses the determination of the peoples of the United Nations to save succeeding generations from the scourge of war, to promote social progress and better standards of living, to reaffirm faith in human rights and "to establish conditions under which justice and respect for the obligations of international law and treaties can be maintained." A demand for more rigid language in the Charter on faithful observance of treaties was made by Chile and other delegations, but final committee vote approved the above reference in the Preamble.

PURPOSES

The purposes of the Organization follow the Dumbarton Oaks Proposals which relate to: (1) maintenance of peace and security by collective measures or the peaceful settlement of disputes, (2) development of friendly relations among nations, (3) achievement of international cooperation in solving economic and social problems. In addition, the sponsoring powers felt it essential that there be explicit reference at this point to the principles of justice and international law, equal rights and self-determination of peoples and promotion and encouragement of respect for human rights and fundamental freedoms for all without

distinction

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distinction as to race, language, religion or sex. They, therefore, jointly presented amendments covering these matters, which were accepted without dissent by the Conference.

In no part of the deliberations of the Conference was greater interest displayed by the group of American consultants, representing forty-two leading American organizations and groups concerned with American foreign relations, than in the opportunity afforded to extend the enjoyment of human rights and basic freedoms for all. They warmly endorsed the additions to the statement of objectives and did a great deal in urging the amendment providing for a mandatory commission on human rights (see Economic and Social Council).

PRINCIPLES

The principles to govern the Organization and its members as outlined in the Dumbarton Oaks Proposals have all been approved, including: (1) sovereign equality of member states, (2) undertaking to fulfill obligations under the Charter, (3) settlement of international disputes by peaceful means, and (4) pledge not to use force in any manner inconsistent with the Charter.

An Australian amendment stating that the United Nations members shall refrain from the threat or use of force against "the territorial integrity or political independence of any member state" has been added as a substitute for stronger language which would have "guaranteed" the territorial integrity and political independence of states, thus freezing the status quo.

Domestic Jurisdiction. The Four-Power amendment and an Australian amendment on "domestic jurisdiction" have been included under principles stating that nothing in the Charter shall authorize the Organization to intervene in matters which are essentially within the domestic jurisdiction of any state except as enforcement measures under Chapter VIII, may become necessary. In the Dumbarton Oaks Proposals this principle was originally included in the chapter on peaceful settlement of disputes, but the shift was made in order that the principle might be clearly applicable to all the activities of the Organization, including the rather broad activities in the economic and social fields.

Membership

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MEMBERSHIP

The Dumbarton Oaks Proposals stated that membership in the Organization should be open to all peace-loving states. This has been qualified to read . . . "open to all peace-loving states which, in the judgment of the Organization, are able and ready to accept and carry out the obligations in the Charter." This represents an attempt to define a little more exactly the term "peace-loving" and to make it clear that there are criteria, even though rather vague ones, to which applicants for membership must submit themselves. An additional paragraph has also been inserted: "Members of the Organization are the signatories of the Charter whose ratification has become effective in accordance with Chapter III." States may be admitted to membership by the General Assembly on recommendation of the Security Council (DC).

Suspension. As proposed at Dumbarton Oaks, the General Assembly may at any time suspend from the exercise of the rights or privileges of membership any member of the Organization against which preventive or enforcement action has been taken by the Security Council.

Expulsion. Any member which persistently violates the principles contained in the Charter will be expelled. The committee originally voted to delete this Dumbarton Oaks provision on the basis that the member nations are looking toward a universal organization, but the Russians with Four-Power support reopened the issue which was finally carried in the belief that there should be some sanction other than suspension to punish members who do not live up to their obligations.

Withdrawal. It was agreed that there should be no provision for withdrawal in the Charter, lest this should appear to encourage withdrawal, but the committee's report nevertheless makes it clear that the silence of the Charter on this point does not preclude withdrawal. The report states that if a member, because of exceptional circumstances feels constrained to withdraw, the Organization will not compel it to remain, nor would a member be forced to stay if its rights and obligations as such were changed by Charter amendment to which it has not concurred and which it finds itself unable to accept.

OrgansORGANS

The Dumbarton Oaks Proposals named the General Assembly, Security Council, International Court and the Secretariat as the principal organs, as well as specifying that subsidiary agencies would be established as might be found necessary. The representatives at the Conference have added the Economic and Social Council and the Trusteeship Council as principal organs and have included a statement that the Organization shall place no restrictions on the equal eligibility of men and women to serve in any of its organs and agencies.

THE GENERAL ASSEMBLY

Perhaps the basic difference between the constitutional arrangement of the United Nations as compared to the League of Nations is that instead of giving the Assembly and the Council identical functions, as was the case under the League, the General Assembly and the Security Council will each have different functions. The General Assembly is primarily a body for deliberation and recommendation, while the Security Council is given powers of action whenever it deems that enforcement measures are necessary.

In its general structure and competence and in its relations with the other organs of the Organization, the General Assembly remains as it was basically conceived in the Dumbarton Oaks Proposals. However, the enumeration of the functions attributed to the Assembly have been expanded and the range of activity has been broadened. Specific right has been given to the Assembly to discuss any questions or any matter within the scope of the Charter and, with the exception of situations under immediate consideration or action by the Security Council, to make recommendations to the member governments of the Organization or to the Security Council or both on any such matters. This expansion in the powers of discussion and recommendation has resulted from the widespread feeling among the earlier powers that, while enforcement functions were concentrated in the Council, it was essential that the more democratic body, that is, the one having the widest membership, should become what Senator Vandenberg described as "the town meeting of the world."

The role of the General Assembly in the maintenance of peace and security can be summarized as follows:

(1) The

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(1) The right to consider and make recommendations for the purpose of furthering international cooperation in political, economic, social, cultural, educational and health fields, as well as the promotion of human rights and basic freedoms and the development of international law.

(2) The right to discuss and make recommendations on any questions pertaining to the maintenance of international peace and security including the principles governing disarmament and the regulation of armaments. With the exception of those matters under immediate action by the Security Council, the Assembly has been empowered to recommend measures for the peaceful adjustment of any situation regardless of origin which might impair the general welfare or friendly relations among states. This provision was originally the so-called Vandenberg amendment which included reference to the "revision of treaties" but the United States was glad to accept it in its present broadened form which, without appearing to call into question the sanctity of treaties, yet makes it clear that the Assembly can make recommendations on any subject including those involving a revision of the status quo.

(3) The responsibility to refer questions on which action is necessary to the Security Council either before or after discussion or recommendation.

(4) The right to call the attention of the Security Council to situations likely to endanger peace and security.

(5) The obligation not to engage in recommendations while the Security Council is dealing with the dispute unless the Security Council so requests.

(6) The right to be notified by the Secretary General subject to the judgment of the Security Council on any matters relating to peace and security which are being dealt with by the Security Council and to receive notification when the Council ceases to deal with such matters.

(7) The responsibility to cooperate with the Security Council upon its request in steps to preserve

or

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or restore peace. Such measures will include enlistment of full support for either nonmilitary or military enforcement measures, suspension of members against which enforcement action is taken and expulsion of members which persistently violate the principles contained in the Charter.

These functions of the General Assembly and relationships between it and the Security Council provide for a maximum utilization of the special qualifications of the Assembly for effective deliberation and recommendation.

Special Reports from the Security Council

The Dumbarton Oaks Proposals have been approved stating that the Assembly should receive and consider annual and special reports from the Security Council and other bodies of the Organization. The Charter will state that reports from the Security Council should include an account of measures adopted or applied to maintain international peace and security.

Electoral Functions

The electoral function of the General Assembly is most important since the other organs will partially or wholly depend on the election of members by the Assembly: (1) nonpermanent members of the Security Council, (2) members of the Economic and Social Council, (3) the elected members of the Trusteeship Council, (4) judges of the International Court of Justice and the Secretary General upon nomination by the Security Council. The General Assembly will also admit new members to the United Nations on the recommendation of the Security Council.

Budgetary Functions

As provided in the Dumbarton Oaks Proposals the expenses of the Organization shall be borne by the members as apportioned by the General Assembly, and the Assembly will consider and approve the budget of the Organization. In addition, the Assembly will approve financial and budgetary arrangements with specialized agencies brought into relationship with the Organization, as well as examine the administrative budgets of such agencies with a view to making recommendations to the agencies concerned.

Procedures

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Procedures

The Assembly will adopt its own rules and elect its President. It may create such bodies and agencies as it deems necessary for the performance of its functions of procedure. Regular annual sessions will be held as well as such special sessions as occasion requires (DO). Special sessions shall be convoked by the Secretary General at the request of the Security Council or a majority of the members of the Organization.

Representation and Voting

The provisions of the Dumbarton Oaks Proposals that the General Assembly is to consist of representatives of all members of the Organization and that each is entitled to one vote are incorporated in the Charter. A maximum of five delegates for each country to be represented in the Assembly has been fixed. The provision in the Dumbarton Oaks text for a two-thirds majority in voting on "important questions" and a simple majority for all other questions has been included--decisions to be made by a two-thirds majority of those present and voting include (1) recommendations with respect to maintaining peace and security, (2) election of members of the Security Council, Economic and Social Council, Trusteeship Council, (3) admission of new members, suspension, expulsion and budgetary questions. It is significant that no one seriously considered perpetuating the unanimity rule which operated in the League and many other international bodies.

The Conference made only one change of substance in the structures and procedures of the Assembly which was a provision penalizing a member for falling behind two years or more in the payment of its financial contributions by depriving it of the right to vote. This amendment which was submitted in various forms by five different delegations was written into the Charter to counteract one of the difficulties which often plague international organizations. In order to prevent undue hardship, however, it has been provided that the Assembly shall have power to waive the penalty if the nonpayment is due to causes beyond the control of the member in question.

SECURITY

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SECURITY COUNCIL

Composition. It was taken as axiomatic at Dumbarton Oaks and continued to be the view of the Sponsoring Governments and France at San Francisco that the cornerstones of world order is the unity of those nations which formed the core of the alliance against the Axis. The special position accorded to the most powerful nations is reflected in the composition of the Security Council and the voting procedure. In spite of substantial effort to expand the size of the Council, its membership remains the same as originally planned--five permanent and six nonpermanent members. The selection of the non-permanent seats will be made, however, with due regard being paid in the first instance to the contribution of members to the maintenance of peace and security and to other purposes of the Organization, and also to equitable geographical distribution. The first of these provisos was made to meet the demand of the so-called "middle powers" that they be accorded more frequent representation in the Council than the small states, while the second proviso was a *quid pro quo* which the Latin Americans exacted in return for accepting the first proviso.

Ad Hoc Representation. Provision was made in the Dumbarton Oaks Proposals for the participation of any member of the Organization in the discussion of any question which the Council deems to affect the interests of that member. Further, the Security Council was obligated to invite any member of the Organization not having a seat on the Council or a non-member of the Organization to participate in discussion, if it is a party to a dispute under consideration in the Council. In accordance with a Canadian suggestion one important addition was made which states that when the Council is considering the employment of the armed forces of a member of the Organization not on the Council, such a member, if it requests, shall sit on the Council with full voting privileges. As one delegate expressed it, the purpose of this amendment is akin to the principle of "no taxation without representation." It had the support of the Sponsoring Powers.

Functions and Powers. As outlined at Dumbarton Oaks, the Security Council will have primary responsibility for maintaining peace and security, its functions and powers therefore being chiefly enumerated in the subsequent chapter on peaceful settlement and enforcement action.

In

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In addition the Council will participate in the election of the Judges of the International Court of Justice.

Voting. The voting procedure in the Security Council agreed to at the Malta Conference was adopted without change after vigorous debate in which the Sponsoring Powers and France defended the formula.

Each member of the Security Council shall have one vote.

Decisions on procedural matters shall be made by an affirmative vote of seven members.

Decisions on all other matters shall be by an affirmative vote of seven members including the concurring votes of the permanent members provided that in decisions involving peaceful settlement of a dispute a party to the dispute shall abstain from voting.

In response to a widespread demand at the Conference for a clarification of the manner in which this formula would apply to specific situations, the Sponsoring Governments stated that the Council will, by a vote of any seven members, adopt or alter its rules of procedures, establish such bodies or agencies as it may deem necessary for the performance of its functions, and invite a member or non-member not represented on the Council to ad hoc participation as defined in the Charter. In addition, the procedural vote will apply to whether or not a dispute or situation can be heard, considered and discussed. Thus consideration and discussion of a situation cannot be prevented by any individual member of the Council. It was on this point that Russia was at first unwilling to go along with the other Sponsoring Powers, but her consent was finally given.

Beyond this point, beginning with the institution of a formal investigation which may involve calling for reports, hearing witnesses or other means, the Sponsoring Powers stated, the qualified majority voting will come into play. When the Council is considering measures of pacific settlement, this qualified majority must include such permanent members as are not parties to the dispute. In the case of decisions involving determination of threats to the peace or acts of aggression and enforcement action, the unanimous vote of all permanent members, regardless of whether one of them may be a party to a dispute, will be required.

During

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During the debate there was little inclination to question the rule of unanimity among the five permanent members as regards enforcement action in appreciation of the impracticability of requiring any one of the major powers, which would be required to bear the chief burden of enforcement action, to undertake so serious a matter against its will. There was, however, serious criticism of the rule requiring concurrence of the permanent members in decisions involving pacific settlement. A motion was presented by the Australians to take the veto power away from the Big Five on decisions of this nature but, after the Sponsoring Powers had made it clear that they considered the right of veto in these cases essential to their adherence to the Charter, the proposal was finally defeated by a vote of 20-10 with fifteen nations abstaining.

Procedures. The Dumbarton Oaks text was adopted with minor changes: The Council will be in continuous session with each state member of the Council represented at the headquarters; meetings will be held at such other places as necessary; the Council shall set up such bodies as necessary for carrying out its functions; it will adopt its own rules including the method of selecting its President.

Pacific Settlement. The texts which have been considered by the Committee of the Conference are approximately the same as those in the Dumbarton Oaks Proposals and include provisions whereby the Council may hear, discuss, investigate and make recommendations of various kinds for the settlement of international disputes by peaceful means. One important expansion of the Council's powers in this field, which the Four Sponsors recommended and the Conference has approved, is a provision empowering the Council to recommend not only methods of adjustment, as in the Dumbarton Oaks Proposals, but also actual terms of settlement.

Determination of Threats to the Peace or Act of Aggression and Action With Respect Thereto. Paragraph 1 of Chapter VIII, B of the Dumbarton Oaks plan was deleted as redundant in view of the broad authority granted in the second paragraph to the Security Council to determine the existence of any threat to the peace, breach of the peace or act of aggression and make recommendations or decide upon the measures to be taken to maintain or restore peace and security.

Provisional

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Provisional Measures. A Four-Power amendment suggested by China was adopted stating that before making recommendations or deciding upon measures for maintaining or restoring peace, the Council may call on the parties concerned to comply with provisional measures necessary to prevent an aggravation of the situation. Failure to comply with the provisional measures shall be taken into account by the Council.

Diplomatic, Economic and Other Measures. The Security Council may decide what diplomatic, economic or other measures not involving the use of armed forces are to be employed to give effect to its decisions, and it may call upon members of the Organization to apply such measures. These measures may include partial or complete interruption of rail, sea, air, postal, telegraphic, radio and other means of communication and the severance of diplomatic and economic relations.

Provision of Forces, Facilities and Assistance. While the non-military enforcement measures have been approved substantially as they stood in the Dumbarton Oaks Proposals, French and Australian amendments to paragraph 5 on agreements for the provision of forces, facilities and assistance have been incorporated. (1) The French sought to expand very considerably the enumeration of the points which these agreements should cover and the powers they shall confer, but were finally satisfied with the insertion of reference to "right of passage" and the "degree of readiness and general location" of the forces to be provided. (2) The Australians and others wished to place on the Council rather than on the Member states the initiative for negotiating and actually concluding the special agreements for the provision of forces, feeling that if the initiative were left to the members to include the agreements among themselves, this action might be indefinitely delayed and the whole enforcement machinery of the Organization stalled at the outset. The approved text states that the agreements shall be negotiated as soon as possible on the initiative of the Council and between the Council and a member or members, all agreements to be subject to ratification by the signatory states.

Armed Forces. The original Dumbarton Oaks paragraph 6 has been adopted stating that there should be held immediately available by the members of the Organization national air force contingents for continued international enforcement, the strength and readiness of such contingents to be determined by

the

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the Security Council with the assistance of the Military Staff Committee. The Dumbarton Oaks Proposals for a Military Staff Committee to advise the Council on all questions involving military matters and the strategic direction of armed forces have been adopted providing for a Military Staff Committee composed of the Chiefs of Staff of the permanent members of the Security Council and their representatives. In addition, a Four-Power amendment was approved stating that the Military Staff Committee, with the authorization of the Security Council, may, after consultation with regional agencies, establish regional subcommittees of the Military Staff Committee. The provision for regional subcommittees was a British suggestion, while the obligation to consult regional agencies before constituting these subcommittees was inserted upon Latin American insistence.

Any state, whether a member of the Organization or not, which finds itself confronted with special economic problems arising from the carrying out of measures that have been decided upon by the Security Council, may consult the Security Council in regard to a solution of these problems. (DO)

Regional Arrangements. The Dumbarton Oaks text was approved which specifies that nothing in the Charter precludes the existence of regional arrangements providing such arrangements are consistent with the purposes and principles of the Organization--that the Security Council should encourage settlement of local disputes through regional arrangements--that the Security Council shall be kept informed of all activities undertaken or contemplated under regional arrangements.

In connection, however, with the provision that no enforcement action shall be taken under regional arrangements without prior authorization of the Council, the Russians and British proposed an amendment, which was accepted by the other Sponsoring Powers, excepting from this provision measures taken against ex-enemy states, until the Governments concerned agree to charge the Organization with this responsibility.

The presentation of this amendment by the Sponsoring Powers created the impression in some quarters, particularly among the Latin Americans, that while European regional

enforcement

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SECRET

enforcement measures were hereby exempt from control by the Council enforcement measures in other parts of the world, for example, under the Act of Chapultepec, were subject to veto by any single permanent member of the Council. While the U.S. Delegation did not wholly subscribe to this line of argument, it did, nevertheless, fully recognize the necessity of ending the Latin American apprehension. This was done, after prolonged negotiation, by the adoption of an additional amendment to the following effect: Nothing in the Charter impairs the inherent right of individual or collective self-defense until the Security Council has taken necessary measures to maintain peace. These measures taken in self-defense shall be immediately reported to the Council and shall not affect in any way the authority and responsibility of the Council to take action.

ECONOMIC AND SOCIAL COUNCIL

The Chapter on arrangements for international economic and social cooperation has been substantially rewritten. Delegates to the Conference, realizing that in the next ten years the most important task of the members of the World Organization is not likely to be enforcement of peace but the preparation of the economic and social basis of peace, opened the way for international cooperation in the economic, social and related fields on a scale unknown in the past, while at the same time safeguarding the right of nations to live their lives free from unwarranted interference.

Objectives. With a view to creating conditions of stability and well-being based on respect for the principles of equal rights and self-determination of peoples, the chapter now states that the Organization shall promote (a) higher standards of living, full employment and conditions of economic and social progress and development; (b) solutions of international economic, social, health and other related problems; international cultural and educational cooperation; and (c) respect and observance of human rights and fundamental freedoms. As outlined at Dumbarton Oaks, the responsibility of these functions shall be in the General Assembly and under the authority of the General Assembly in the Economic and Social Council.

These powers, though only of a recommendatory character, represent a considerable expansion over those contained in the Dumbarton Oaks Proposals. The U.S. Delegation was happy to see the inclusion of reference to cultural, educational

and

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and health matters and to human rights and fundamental freedoms, but it was not wholly pleased at the specific mention to "full employment" which it found might give the Organization the right to interfere with our domestic economic policy. We were, however, in a minority of one at the Conference on this matter and finally contented ourselves with a specific statement in the report of this committee that nothing in this provision would prejudice the "domestic jurisdiction" paragraph in Chapter II.

Australian Pledge. The U.S. Delegation had certain apprehensions with regard to the so-called "Australian pledge" which applied to the aforementioned statement of objectives in that it might have invited undue interference in the domestic affairs of member states. The original proposal was: "All members of the United Nations pledge themselves to take action both national and international for the purpose of securing for all peoples, including their own, improved labour standards, et cetera." We were, however, able to obtain the following revision of the wording which was acceptable to us: "All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of these purposes."

Composition and Voting. The composition and voting procedures are substantially the same as originally planned--eighteen members, three-year term, all members eligible for reelection, each member shall have one vote, decisions shall be taken by a simple majority of those present and voting.

Functions and Powers. The Economic and Social Council is now given broad authority to initiate studies and reports, and make recommendations to the General Assembly, to the members of the Organization, and to specialized organizations or agencies created by or brought into relationship with the Organization on matters falling within the jurisdiction of the Council.

Specialized Agencies and Organizations. The various specialized intergovernmental organizations having wide international responsibilities in economic, social and related fields shall be brought into relationship with the Organization (DO). It was understood that the provisions for agreement between the Organization and any specialized organization were not intended to deprive the latter of its responsibilities but to provide for agreements sufficiently flexible to enable satisfactory arrangements to be worked

out

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out on the basis of need and experience. The committee considered it inappropriate to single out any one specialized organization, and the opposition of the Russian Delegation to any mention of the ILO succeeded in deletion of a reference to the ILO even in the rapporteur's report.

The Council will initiate negotiations among nations for the setting up of any new organizations necessary for the accomplishment of the objectives of the Organization in this field. The French argued strongly for specific mention of an organization to deal with the problem of fair allotment of raw materials, but the U.S. and other delegations were strongly opposed on the ground that it would be misleading to mention one or two important fields and not others or to specify the precise nature of the problems in this connection.

Assembly. The Council is also authorized to convene, in accordance with rules prescribed by the General Assembly, international conferences on matters within the scope of the Economic and Social Council.

Commissions. The paragraph stating that the Economic and Social Council shall set up commissions in the fields of economic and social activities and such other commissions as may be required is identical with Dumbarton Oaks except for the specification of a commission for the promotion of human rights.

The arrangements for representatives of specialized organizations to participate in deliberations of the Organization and in those of commissions will be made by the Economic and Social Council as originally suggested.

TRUSTEESHIP

One of the principal difficulties in outlining a chapter on trusteeship was the pressure by various delegates to draft language into the text which would affect the existing situation in dependent territories. The U.S. delegate had to emphasize repeatedly that only questions of principle and machinery were to be included and that specific territorial problems were not germane.

Since trusteeships were not included in the Dumbarton Oaks discussions, this chapter has been written entirely at San Francisco. It includes two parts: (1) a declaration of policy toward all dependent peoples; (2) an outline for a trusteeship system.

General

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General Policy. As a general policy the members of the United Nations which have responsibilities for the administration of dependent territories agree to recognize the principle that the interest of peoples who have not yet attained a full measure of independence are paramount and to accept the obligation to promote the well-being of these peoples; to insure political, economic, social and educational advancement, to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions.

At the outset the Chinese proposed the inclusion of "to promote development towards independence or self-government," but this provoked strong opposition from the British delegate who wanted no mention of independence anywhere in the chapter. He pointed to the dangers implicit in falsely encouraging hopes of independence for peoples who will never attain it, and to the injurious effects on the dependent peoples themselves whose welfare has been dependent on the aid given by the parent state. He argued that the parent states, lacking any assurance of future constancy in their relations with the dependencies should the Chinese proposal be adopted, would be reluctant to put money into the territories and the native peoples themselves would be the sufferers. In a spirit of compromise, therefore, the Chinese dropped their amendment to this section with the understanding that this concept would be included among the basic objectives of the trusteeship system, which was a concession agreed to by the British. During the debate the Philippine Delegation and others urged reference to independence in the general policy statement in the belief that its exclusion would give the impression that the Conference intends that territories under trusteeship but not other dependent territories, might eventually attain independence.

Trusteeship System. The trusteeship system will apply only to territories in the following categories as may be placed under it by means of separate trusteeship arrangements: (a) territories now held under mandate; (b) territories detached from enemy states; (c) territories voluntarily placed under the system. It will be a matter of subsequent agreement as to which territories will be brought under the system and upon what terms, and the U.S. has maintained the position against Australian and other opposition that there should be no change in the status of mandates or the existing rights of mandatory nations without their consent.

Objectives

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Objectives. The objectives of the trusteeship system include the promotion of political, economic, social and educational advancement of the trust territories and their inhabitants and their progressive development toward self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned.

Arrangements. The trusteeship arrangements will include the terms under which each territory will be administered, and will in appropriate cases designate so-called strategic areas. The U.S. Delegation was anxious to have freedom of action in regard to strategic areas and has succeeded in having it specified that these arrangements shall be agreed upon by the states directly concerned rather than by the Security Council which was the intent of the Russians. All functions relating to strategic areas will be exercised by the Security Council. Other functions will be handled by the General Assembly through a Trusteeship Council operating under it to be composed of representatives equally divided between administering and non-administering states.

The Assembly, and under its authority, the Trusteeship Council, will consider reports submitted by the administering state, accept petitions and examine them in consultation with the administering state, and make periodic visits to the respective territories. The mention of periodic visits was a compromise in that the U.S. had proposed "the right of investigation," but the British and French objected on the ground that specific mention of investigation would give the native peoples a "right of appeal" which would prove embarrassing to the administration. The administration authority in each trust territory will make an annual report to the General Assembly on the political, economic, social and educational advancement of the inhabitants of the territory.

In order to meet the fears of some of the delegations that existing rights might be threatened by the trusteeship provisions, an explanatory paragraph has been inserted which states that except as may be agreed upon in individual arrangements nothing in the chapter shall be construed to alter in any manner the rights of any states or any peoples.

INTERNATIONAL

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INTERNATIONAL COURT OF JUSTICE

The Dumbarton Oaks Proposals on the Court stated that there should be an International Court of Justice which should constitute the principal judicial organ of the Organization; that the Court should function according to a Statute which would form an integral part of the Charter--such Statute to be either the Statute of the Permanent Court of International Justice or a new Statute; that all members of the Organization should ipso facto be parties to the Statute; and that conditions under which states not members of the Organization may become parties to the Statute should be determined by the General Assembly on the recommendation of the Security Council.

New Court. These provisions are all approved, although it was stated that there will be a new Statute based on the Statute of the Permanent Court. In many ways this was the most difficult problem which confronted the Committee dealing with the Court. There was unanimous agreement that the Permanent Court of International Justice had rendered effective service, but sixteen of the states parties to the old Statute, including enemy states, were not represented at San Francisco. So far as enemy states are concerned, their acceptance of the proposed changes in the old Statute could be secured through provisions in the peace treaties, but no such solution was available with respect to neutral states. Therefore, to assure the establishment of the Court simultaneously with the Organization it was thought that a new Court should be established, although in a very real sense it will be only a "revised Court", as the Statute is based on the old Statute.

Advisory Agencies. The Security Council and the General Assembly may refer questions to the Court for advice. Suggestions were made that other international organizations and states also be given the right to ask for advisory opinions, but this was not accepted although other international organizations may be authorized by the General Assembly to ask for opinions providing the questions are limited to those of a judicial character arising within the scope of the activities of such agencies.

Enforcement of Court's Decisions. Two new articles dealing with the carrying out or enforcement of the Court's judgments have been included in the Charter: (1) a simple statement of the obligation of members to comply with the

decision

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decision of the Court in any case to which it is a party; (2) if any party fails to perform the obligations incumbent upon it under a judgment rendered by the Court, the other party may have recourse to the Security Council which may, if necessary, decide on measures to be taken to give effect to the judgment.

Compulsory Jurisdiction. It was agreed, though only after the U.S. Delegation and one or two other of the principal delegations had indicated that they might not be able to obtain ratification of the Statute if it gave the Court compulsory jurisdiction, that the Court's jurisdiction shall be contingent upon the consent of the parties to each case, with the exception of states signatory to a declaration known as the "optional clause" submitting themselves to compulsory jurisdiction.

Election of Judges. The final point of controversy was in regard to the nomination and election of judges and here it was agreed that judges drawn from the panel maintained by the Hague Court of Arbitration should be nominated by a procedural vote in the Security Council and elected by a majority of the Assembly.

SECRETARIAT

As suggested at Dumbarton Oaks, the Secretary General and his staff will be the administrative officers for the General Assembly, Security Council, and Economic and Social Council. The Secretary General shall be elected by the Assembly upon recommendation of the Council.

There was heated debate over whether or not the big power veto would apply to the nomination of the Secretary General, but it was finally decided that this was a substantive rather than a procedural matter and should be governed by the Yalta formula granting the right of veto to the permanent members of the Security Council on all such matters. Lengthy discussion also ensued on the sponsoring power amendment specifying four Deputy Secretary Generals which was objected to on the ground that this number represented a big power presidium. The conclusion was that there should be no reference in the Charter to the number of deputies to be appointed.

Although not listed in the Dumbarton Oaks Proposals, criteria for the appointment of the Secretary General and his staff have been included in the Charter--high standards of efficiency, competence and integrity with due regard to the importance of recruiting staff on as wide a geographical basis as possible. It has further been stated that the Secretary General and his staff shall be responsible only to the Organization and shall not seek or receive instructions from any

government

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government but shall respect the exclusively international character of their responsibilities.

INCONSISTENT OBLIGATIONS

In the event of any conflict arising between the obligations of members of the Organization under the Charter and their obligations under any other international agreement, it has been agreed that the Charter shall prevail.

AMENDMENT PROCEDURE

Amendments shall come into force for all members of the Organization when they have been adopted by a vote of two-thirds of the members of the General Assembly and ratified in accordance with their respective constitutional processes by two-thirds of the members of the Organization including all of the permanent members of the Security Council.

This is substantially the same procedure as in the Dumbarton Oaks Proposals with the exception of the specification that ratification be by two-thirds rather than by a majority of members which was a Belgian proposal designed to give a greater measure of protection to the smaller powers.

Strong pressure was put on the Big Five to abolish the veto power of the permanent members on amendments, but the argument was presented that it was most important in the effectiveness of the Organization to have any changes in the rights and obligations under the Charter receive the unanimous support of the major powers.

Revision Conference. An amendment first suggested by Senator Connally and introduced by the sponsoring powers provided for the calling of a general conference to revise the Charter at a date and place to be fixed by a three-fourths vote of the Assembly. It also provided, however, that amendments to the Charter adopted by this conference must be ratified by a majority of the members of the Organization, including the permanent members of the Council, before becoming effective.

The small powers, particularly after they found that the Yalta voting formula and other provisions of which they disapproved must be included in the Charter if it was to secure Big Five adherence, strongly urged that the revision conference proposal be modified in two respects: (1) that a definite time for its calling be fixed in the Charter and (2) that amendments adopted by the Conference not be subject to rejection by the vote of any single state. While the Big Five felt themselves unable to yield on the second of these points, they did compromise on the first and after lengthy

debate

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SECRET 76

debate the following provision was adopted: A revision conference may be held at a date and place to be fixed by a two-thirds vote of the General Assembly with the concurrence of any seven members of the Security Council. Alterations to the Charter recommended by a two-thirds vote of the Conference shall take effect when ratified by two-thirds of the member governments including the permanent members of the Security Council. If such a conference has not been held before the tenth annual meeting of the Assembly, the proposal to call such a conference shall be placed on the agenda of that meeting of the Assembly and by any seven members of the Security Council.

Transitional Arrangements. The transitional arrangements outlined in the Dumbarton Oaks Proposals have been included in the Charter, placing the burden of maintaining peace and security on the Big Five (France was added by the Conference) until such time as the Security Council considers adequate military agreements have come into force to enable it to take over this responsibility, and stating explicitly that the provisions of the Charter shall not preclude action in relation to ex-enemy states by the Governments having responsibility for such action.

Ratification. The Charter will be ratified by the signatory states according to their respective constitutional processes. Ratification will be deposited with the U.S. Government and as soon as ratifications have been deposited by the permanent members of the Security Council and by a majority of the other signatory states, the Charter will come into force for those states having ratified. The Charter will come into force for each of the other signatory states on the date of the deposit of ratification.

MEMORANDUM TO THE SECRETARY

June 22, 1945.

Mail Report

Some 500 United States citizens during the past week said, "I am going to write to Secretary Morgenthau about that", and then sat down and did so. Of these, 221 had complaints or comments or suggestions on bonds. The score on the following pages shows how these were divided. In the main, suggestions on the 7th Drive are waning, those on the 8th appearing, and with the latter may be grouped comments on the Roosevelt Memorial Bond (see excerpts, from letters attached). Most correspondents are cooperative and eager to promote the success of both bond drives, but one anonymous writer laments, "I am tired of all this blah-blah about bonds", and he continues, "New Deal crackpots throwing away bond money on Canol Oil, a Latin-American highway, etc", obviously inspired by the Fulton Lewis, Jr. broadcasts.

"Here's Your Infantry" continues to receive only the warmest praise, as when Harry M. Walton, Jr.,

Memorandum to the Secretary.

June 22, 1945.

Attorney and Counselor at Law, Sidney, New York, writes,

" * * * I want to say that the officers and men of Unit No. 4, commanded by Lieutenant Ted Hill, were the best behaved, cleanest and finest all-around bunch of men that it has been my pleasure to meet. Their cooperation, courtesy and assistance in the Seventh War Loan effort, it is impossible to measure. The show or exhibition that they put on was the most realistic dramatization of actual combat conditions that the people of this area were ever privileged to see, and I know that it has not only been a great value in the selling of bonds but also in showing the people exactly what the GI Joe, foot soldier, or infantryman does for us and goes through on the field of battle. * * * Over \$6,000 in bonds were pledged or sold in fifteen minutes in between the parts of the show. Over \$15,000 in bonds, by far the largest single day's sales ever made, were sold at the Scintilla plant the day after the show. * * * It has been said that the Barnum & Bailey Circus was the greatest show on earth, and while this may have been true in the past, it is no longer true for the show put on by Unit No. 4 'Here's Your Infantry' is by far the greatest show on earth."

Other comments may not soar quite so high, but all are genuinely enthusiastic and not a single sour note has been heard in the chorus. So far as suggestions for selling bonds are concerned, our writers continue to be both ingenious -- as the one who wants a gas

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Memorandum for the Secretary.

June 22, 1945.

coupon issued with each bond -- and routine, as in the continued urge for a \$10.00 bond for school children.

There were only 2 complaints of delays in receiving interest, but 7 on delays in receiving bonds, and 87 letters dealing with problems of inheritance, re-issuance, re-placements, etc. Inquiries about Adjusted Service Bonds went up to 40.

On the tax front, the tax evader drive continued to dominate the mail, with 79 out of 146 communications referring to it. The 31 reports of individual tax evaders were referred to Internal Revenue for investigation. The 35 applications for jobs also were referred for reply in the proper Treasury office. Ideas, questions and protests were negligible and evenly divided on a variety of phases of taxation as a whole. (See analysis on final pages.) Although an outburst of protest on the publicity in regard to the Roosevelt-Hartford loan was anticipated, it failed to materialize. Such letters as we received were very nasty, but there were only 4 all during the week.

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Memorandum to the Secretary.

June 22, 1945.

The instructions to banks to report currency transactions continued to stir up comment and suggestion. The trend has now swung to the favorable, with 18 of these, as against 3 unfavorable letters. Among the latter is a letter from an Economics Professor questioning the Constitutionality of the order. The National Bank of Fort Collins, Colorado, ran a display advertisement quoting the order and the penalty attached to failure to comply with it. D. N. Donaldson, Associate Professor of Economics, Colorado A & M College, wrote to the Legal Division of the Federal Reserve System, which promptly forwarded the letter to the Treasury. Mr. Donaldson said in part,

" * * * I have taught finance for several years and this question has been asked of me, and as I am not a lawyer, I am writing for your opinion on the matter. I know the reason for this order is to try and stamp out black market operations and at the same time trace down tax dodgers, but I am wondering if the CPA and WFA, along with the Bureau of Internal Revenue, would not be better off in trying to cooperate with the people in eliminating black markets than taking punitive action against the many. * * * I am in favor of all the Governmental controls necessary during war or peace times, but I am afraid

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Memorandum to the Secretary.

June 22, 1945.

that the ruling of Mr. Morgenthau smacks of an attempt to help the CPA and some of the other organizations overcome the results of some bad boners to which they themselves have contributed. However, my main question is the Constitutionality of this latest ruling. * * * (Correspondence referred to Mr. D. W. Bell.)

There were 3 letters from banks reporting instances of unusual transactions.

Aside from half a dozen inquiries about Foreign Funds matters, international affairs were almost ignored this week. There were 7 comments on Bretton Woods, and of them 2 were unfavorable to our contribution to the program.

Six donations sent to the Secretary, to be devoted to the war effort, ranged from a \$5.00 postal note to a check for \$4,000.00. The White House forwarded to us 11 letters about bonds, 39 about taxes, and 20 general.

The attached pages give sample quotations from letters of more than average interest, and the final pages show the box score by subject matter for the past week.

G. E. Forbush

General Comments

R. V. Prucha, Cashier, The National Bank of Lorain, Lorain, Ohio. Your recent letter easing certain requirements in reporting currency transactions has been received and considered. The slight change in reporting procedure does not improve the position of a reporting institution for, by the terms of the order, reporting or not reporting a specific transaction is based upon the judgment of an individual. To render such judgment, inquiry into the nature of the transaction is essential. * * * People do have confidence in the secrecy of bank transactions and it now appears that the confidence is to be undermined. The use of judgment must be uniform throughout competing banks. Unless a rigid uniform rule for reporting is established, it may be anticipated that some institutions will furnish reports while others, on basis of their judgment, will find nothing to file. No filing probably means no investigation and no criticism. I think you will understand the reflections on filing institutions. * * * Enforcement of price control and rationing is based upon complaint by the offended. The complainant becomes known, retaliation results, complaints dwindle and enforcement breaks down. Sadly have we witnessed the whole cycle. We shall hesitate filing information on suspicion and shall be reluctant to question a person for fear that some competitor along the street or in the next town will not reason about the matter just as we do. It is, we believe, within the province of your office to call in such currency as may be deemed necessary and to obtain the names and addresses of the persons who surrender same. Surely, the persons sought would be disclosed. The Government, through persons properly instructed and authorized, could then make such investigations as might be deemed necessary. Converting bankers to detectives, however, seems inconsistent with American tradition and sound business practice.

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J. A. Fambrough, President, First National Bank, Raymondville, Texas. I appreciate your letter of June 9th, relative to the order requiring financial institutions to report unusual currency transactions. It appears that among the bankers from whom you have heard there is not a majority in opposition, but it is my belief that you have not heard from a sufficient number of bankers to obtain the majority sentiment. Before writing you, I have made inquiry of other bankers to determine the prevailing attitude and as yet have not heard of one who believes that this order is the proper approach to eliminating tax evasion. One correspondent who had opportunities to know what others were thinking said, " * * * all of them seem to have this matter on their minds. They resent having the banks called upon to do the policing job and do not have much faith in its results". Another said, "I am quite sure there is a good deal of resentment by the bankers for the imposition upon them of the necessity to check on their depositors and make reports. There have been so many things imposed upon banks that this is merely adding one further obligation under penalty, and possibly creating some further ill will between bankers and depositors." * * * You may be sure that until we are relieved of this obligation imposed by the recent order we intend to do our best to comply in every sense, the same as we have done in other instances affording opportunities to co-operate.

Will McClung, Covington, Kentucky. Please accept my thanks for the prompt service granted me in the redemption of the "B" Bonds I bought for investment, after I appealed to you. Enclosed find the bonds (2 \$100 Bonds) I have bought for return to the Treasury for cancellation.

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Nathan Bleckner, Brooklyn, New York. Yesterday I received through the mails a 1944 tax refund check. I went to a bank which is a depository for United States funds, to cash this check. The teller sent me to one of the officials of this bank to get an o.k. The first question I was asked by this official - had I an account with his bank. I answered I had not. I was then told by this official that he could not o.k. my check for cash payment as he did not know me. I then told him I was a Federal employee, showed him my badge, also that I had other identification, such as my registration card, my American Legion membership card, my organization dues card, and furthermore, that I wished to make a payment on a loan I had secured from that bank, showing him the payment book. Even then he was adamant and would not o.k. my check for cash payment. I then asked him how I could get the cash for this check. The answer was that I would have to go downtown to the Federal Reserve Bank on Liberty Street to have my check cashed. I still have this check in my possession. * * *

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Favorable Comments on Bonds

John C. Stevens, President, Glen Rock Bank, Glen Rock, New Jersey. The various letters from you about my efforts in behalf of the War Drives have been greatly appreciated. Every War Drive has found me acting as Vice Chairman of our local committee which position covers all records, statements and supervising the issuance of bonds, 99% of which have been done by this bank. The totals of past Drives in Glen Rock have been higher than the one before. We now have attempted to do the impossible by making our goal one million dollars for the Seventh. Our quota is only \$400,000, but that shouldn't stop us. Federal Reserve Bank, however, is trying to stop us. Our War Loan Account limit is \$800,000, and we have requested a ceiling of one million dollars. We are nearly \$900,000 at this writing. * * * In Northwest Bergen County we have been given next to the highest quota for E Bonds, \$170,000. * * * A neighboring town with population two and one-half times as great as ours with some manufacturers has only a quota of \$140,000. We have 80% of our \$170,000 quota already in hand and expect to make it 100% before it is finished. This town has no manufacturers and little business, it being purely a residential community. When I mention that most of our sales had to be made on "that extra bond" slogan, you may realize the effort put into these campaigns. * * * If you believe our efforts should be encouraged, will you not make it possible for the one million ceiling to be granted this bank for War Deposits? We are getting subscriptions through personal contacts, many of which would probably not otherwise be subscribers, which action we believe necessary for our part in the war effort.

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Miss Helene R. Cross, New York City. I am very much interested in the fact that possibly the next bonds will have the likeness of our late beloved Franklin Delano Roosevelt on them, and wondered if some way could not be found for the people to be able to keep these bonds at the time they mature, and not have to surrender them. I know there are millions of people in the United States whose sentiments about the late President are as strong as mine and who will want to keep these bonds forever. Could not we receive a receipt instead of having to surrender this bond? I know that I personally would want to frame it and keep it as a treasured possession. * * *

Milton Duberstein, Chicago, Illinois. Thanks for your check for \$1,460.50 for redemption of my War Adjustment Bonds. I was glad to keep them until date of redemption and also to advise you that I put \$40.00 to this and purchased \$2,000 (gross) War "B" Bonds through the Chicago and North Western Railway Company.

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Unfavorable Comments on Bonds

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Mrs. G. Carlberg, Bremerton, Washington. * * * I have read that the Roosevelt Bond will probably be of \$250 denomination. My son, who is 9 years old, is very anxious to have a Roosevelt Bond and is saving all his money now towards it. But it will be almost impossible for any child to save that much money. All children loved Roosevelt and for a big percentage of them, he was the only President they knew. Would it be possible to have a smaller denomination for school children -- one they can really work for to add to their collection? I'm sure the children would really do their best if it were made within their reach, and it would be a very proud possession. * * *

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Unfavorable Comments on Taxation

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Senator H. Alexander Smith (New Jersey) forwards the following letter he has received from J. Ward Woolley, Maplewood, New Jersey: "There has recently come to my attention a method of tax avoidance, which, if allowed to grow unchecked, will compel increasing the tax load of normal business and the rank and file of the country's tax paying army. * * * A promoter contacts a tax-exempt charitable trust and succeeds in selling the idea of making him manager of its funds and a contract is so drawn. He then proceeds to search out successful firms with large tax loads, and makes bids for the concern's assets, offering higher than recognized going concern values. The result is usually ready acceptance. He then goes to banking connections and arranges for a mortgage loan, hypothecating the assets purchased as security. Profits before taxes of most industrial concerns are quite substantial at the moment, and going direct to the charitable trust, tax free, permits a quick discharge of purchase obligations out of profits. For the service rendered, the promoter charges a management fee. In addition, he usually extracts a contract for the exclusive sale of the product of the industries purchased, earning a commission on those sales. He might also arrange and draw commissions on inter-trust sale of properties purchased, where there is a tax advantage. Federal taxes on the promoter's pyramided income are, doubtless, properly discharged. However, it appears as though there presently exists a legal, but undue, advantage accruing to charitable trusts and promoters under existing Federal tax laws at the expense of Mr. John Q. Public. It is obvious that taxes so lost by the Government must be made up by Mr. Public. * * *

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The following is a copy of a letter addressed to Congressman Robert L. Doughton by Charles Lamson Griffin, Maplewood, New Jersey: "The investigation now in progress of the terms and conditions of the \$200,000 loan by the president of the great Atlantic & Pacific Tea Company to Elliott Roosevelt bids fair to reach higher up than did the ramifications of "Teapot Dome". It is familiar law that a debt cannot be satisfied and discharged by part payment; only by payment in full with interest, or by proceedings in bankruptcy. A creditor cannot charge off a debt as bad on his income tax return unless and until he has exhausted his remedies against his debtor. As Elliott Roosevelt has been out of the jurisdiction where the loan was made, much if not most of the time since the loan was made to him, the Statute of Limitations may not have run in his favor and Hartford may still be in position to invoke appropriate remedies. These suggestions are pertinent in view of the great public interest in this case."

Senator Francis J. Myers transmits the following letter which he has received from D. Morris Benedict, President and General Manager, Frick Company, Inc., Waynesboro, Pennsylvania: "We hereby register our request that you support any procedure which will accomplish the elimination or provide for the expiration of Title VIII, Section 801, of the Revenue Act of 1943, relating to repricing of war contracts. The procedure, possibly unavoidable, that is in vogue for the enforcement of the provisions of this title places a heavy burden upon would-be Government contractors, and although they do the best they can to meet the requirements of the procedure, the end result is but a poor approximation of the objective sought. We feel that any excessive profits that might be realized by overpricing will be corrected in the re-negotiation procedures or the taxing procedures provided for elsewhere. * * *"

Report of Correspondence received in the
Secretary's Correspondence Division
June 15 to June 22, 1945, Inclusive

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	221
Promotional ideas and materials for the Seventh Drive	20
Promotional ideas and materials for the Eighth Drive	2
Thanks for "Here's Your Infantry"	22
Roosevelt memorial bonds:	4
Favorable	2
Smaller denomination	2
Rumors that bonds will be invalidated	2
Complaints about delays in receiving bonds:	7
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Others	1
Complaints about delays in receiving interest	2
Other complaints:	12
Navy is discriminating by awarding passes and other favors to bond buyers	1
Betting at races is retarding Seventh Drive	1
Bank objects to paying a premium in subscribing for 1-4 Treasury bonds	1
Resident of Tennessee is refused \$100,000 of 1950 Treasury bonds because he offered currency in payment	1
Allocation of bond purchases to home office of insurance company is unfair	1
Others	7
General suggestions:	15
Issue a gas coupon with each bond	1
Make baby bonds available after V-J Day	1
Cease marketing Federal Land Bank Bonds under sponsorship of large city banks	1
Make it possible for guardians of minor children to purchase E bonds to limit	1
Offer G.I. \$10 bond to school children	1
Allow E bonds to be used as collateral	2
Issue lapel pins to buyers of bonds	1
Issue \$10 non-redeemable gift bonds	1
Provide bond annuities	2
Issue peace bonds	1
Others	3

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TOTALS

Routine matters: 135
 Inquiries about Adjusted Service Bonds 40
 Bonds for redemption 5
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 Problems of inheritance, reissuance, replacement, etc. 87

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Requests for refunds 10
 Tax evaders drive: 79
 Applications for jobs 35
 Reports of evaders 31
 Suggestions and comment: 13
 Probe the pockets of war contractors 1
 Call in currency of large denomination 2
 Name a committee of citizens in each community to work with investigators 1
 Investigate Roosevelt-Hartford loan 4
 Check on incomes of those who rent, or receive oil royalties 2
 Request discharge of Treasury tax men now in service 2
 Draft idle Government workers for investigator jobs 1
 Questions, protests, etc. 30
 Miner with 2 dependents in Italy whom he supports is taxed as a single man 1
 Other hardship cases 3
 Repeal car use tax 2
 Internal Revenue employees are arrogant in dealing with taxpayers 1
 Additional assessments are in error 2
 Taxes should be withheld from winnings at race tracks 1
 Place a tax on labor unions, merchandise turnovers, real estate transactions 3
 Keep present high rates 1
 Partnerships are favored by present operation of capital gains tax 5
 Trust funds managed by tax-exempt corporations should be taxed 2
 Others 9
 Instructions to report currency transactions: 27
 Favorable 18
 Unfavorable 3
 Omission, clippings, etc. 6

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TOTALS

MISCELLANEOUS PROTESTS:

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Government extravagance in Canal Project, Alcan Highway, etc. 1
 New York bank objects to accepting interest checks for deposit to account of man overseas 1
 Railroad Retirement checks are delayed 2 or 3 days each month 1
 Treasury should stop the gambling on one of Wilson Line ships 1
 Lend-Lease to Russia and further loans should be stopped 2
 Discontinue instruction of foreigners at Bureau of Engraving and Printing 2
 Congressional raise of \$2,500 2
 Selling of 2-piece suits at same price that 3-piece ones once sold for in violation of O.P.A. 1
 Food shortages are unnecessary 1
 Swindlers in wartime contracts as reported by Fulton Lewis should be investigated 1
 Great amounts of paper are wasted at race tracks 1
 New York bank refuses to cash tax refund check 1

OTHER RECEIPTS:

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 Donations to war effort 6
 Hutton Woods Proposals 7
 Roosevelt dime 3
 Favorable 0
 Unfavorable 3
 Currency problems, mutilated money, etc. 22
 Inquiries about foreign funds control 6
 Inquiries about surplus property 2
 Favorable comment on plan for postwar treatment of Germany 2
 Personally abusive 2
 Inquiry as to identity of B. Manning on car use stamp 1
 Request that Treasury sponsor Roosevelt International University 1
 Questions as to whether or not Hoover returned his salary as President to Treasury 2

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Report on White House Correspondence

June 15 to June 21, 1945, incl.

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CABLES FROM AMERICAN EMBASSY
MOSCOW
Russian Press Comment
on
Foreign Developments

Summary Index of Cables from the American Embassy in Moscow on Russian Press Comment on Developments in Foreign Countries.

Germany

1. Russian press announcement on Allied Agreement on establishment of a Control Council for Germany.
2. Russian press comment on civil affairs administration in Berlin.
3. Article by Soviet Economist on economic aspects of Nazi aggression.

Poland

4. Russian press comment on hostility of the London Polish Government to the U.S.S.R.
5. Russian press announcement of arrival of the Dean of Canterbury in Warsaw.
6. Russian press comment on growing military forces of the London Polish Government.
7. Russian report on meetings of the Polish Peasant Congress.
8. Article from Polish press on Polish resettlement and administration of Polish Silesia.
9. Article in War and the Working Class on democratic reforms and progress of reconstruction in Poland.
10. Polish press comment on reconstruction progress.
11. Polish press statement on diplomatic relations with Yugoslavia.

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12. Russian press report on DeGaulle's speech on the nationalization issue.

13. Russian press report on the French Council of Resistance and the municipal elections.

14. Russian press report on the French coal strike.

Czechoslovakia

15. Russian press report on message of President Benes to Marshal Stalin.
16. Russian press dispatch from Mexico City on Masaryk statement on Czech-U.S.S.R. relations.
17. Russian press report on joint Czech-Soviet tribute to Red Army and Prague Partisans.

Bulgaria

18. Russian press report on press conference of the Bulgarian Trade Union Delegation in Moscow.

Hungary

19. Russian press report on Congress of Hungarian National Union.

Rumania

20. Russian press report on participation of Rumanian Scientists in the Congress of the Rumanian Society for Cultural Relations with the U.S.S.R.

Yugoslavia

21. Russian press report on Tito's speech of May 21 in Zagreb.
22. Russian press comment on Allied-Yugoslav relations in connection with the Trieste issue.

Italy

23. Russian press report on political affairs in Northern Italy.
24. Russian publication of Belgrade dispatch on Italian attitude toward Istria partisans.

PRECISION

TRADE MARK

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On
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1

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

117
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

EN-1000

PLAIN

Moscow via War

Dated May 31, 1945

Rec'd 1:05 p.m.

Secretary of State,
Washington.

DEPARTMENT OF STATE
JUN 1 - 1945
OCL
LIAISON OFFICE

1833, Thirty-first

There follows Embassy translation of announcement appearing in Soviet press for May 31 regarding Control Commission for occupation of Germany.

By agreement among the governments of the Allied powers in a few days there will be established a Control Council of representatives of the Supreme Command of the Soviet Union, Great Britain, United States of America and France which will be vested with the supreme authority of the Allied powers in Germany during the period of occupation.

The Commander in Chief of the Soviet occupation forces in Germany, Marshal of the Soviet Union G.K. Zhukov, has been appointed representative of the Soviet Supreme Command in the Control Council.

UNSIGNED

MJP

12"

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTIONRECEIVED
DIVISION OF
CENTRAL SERVICES

PLAIN

Moscow

1945 MAY 25 AM 9 30

Dated May 24, 1945

Rec'd 1:43 p.m., 25th

U 10 VIA PREWPC/L
P

LISTEN MOSCOW 296/295 25TH 1647

PRESS SECSTATE WASHINGTON

1743 TWENTYFOURTH MOSCOW NEWS FOR MAY TWENTYTHIRD DEVOTED OVER TWO COLUMNS TO ARTICLE ENTITLED QTE BERLIN TODAY EENDQTE BY L IEROV PRD ARTICLE WAS SUBTITLED QTE SPRING HASCOME TO VANQUISHED CITY EENDQTE PRD MUCH OF ARTICLE DESCRIBED SCENES AND ACTIVITIES IN BERLIN CMM PARTICULARLY DISTRIBUTION OF FOOD TO POPULATION UNDER AUSPICES OF SOVIET COMMAND PRD PGH ARTICLE STATES THAT A MEMORABLE EVENT TOOK PLACE SEVERAL DAYS AGO WHEN FIRST MEETING OF MUNICIPAL ADMINISTRATION CMM CONSISTING OF REPRESENTATIVES OF VARIOUS GROUPS OF CITY'S POPULATION WAS HELD PRD MEETING WAS PRESIDED OVER BY OBERBURGERMEISTER ARTHUR WERNER CMM WHO IS AN ARCHITECT BY PROFESSION PRD NEXT TO HIM SAT HIS FIRST DEPUTY CMM THE WORKER KARL MORAN PRD PGH ARTICLE DESCRIBES HEARTY WELCOME GIVEN GENERAL BERZARIN CMM SOVIET MILITARY COMMANDANT OF BERLIN CMM BY PACKED HALL OF REPRESENTATIVES OF BUSINESS AND INDUSTRIAL CIRCLES CMM WORKERS CMM SCIENTISTS AND ACTORS PRD PGH ARTICLE ALSO STATES DEEPCGOING CHANGE IS BEGINNING IN PSYCHOLOGY OF PEOPLE ON WHOM VENOM OF FASCIST PROPAGANDA HAD LONG ACTED PRD BERLINERS ARE AMAZED CMM PARTICULARLY BY SOVIET PRINCIPLES OF JUSTICE PRD PGH ARTICLE STATES THAT BERLIN ARTISTS HAVE BEEN GIVEN JOB OF REVIVING THEATERS CMM CINEMAS CMM ETCETERA AND STATES THAT THEY WERE SURPRISED AND PLEASED TO LEARN THAT THEY WOULD NOT ONLY BE ALLOWED TO WORK AT THEIR FORMER JOBS BUT THAT THEIR WORK WAS HIGHLY APPRECIATED BY THE MILITARY AUTHORITIES WHO WOULD SEE THAT THEIR FOOD RATIONS WOULD EQUAL THOSE OF WORKERS IN HEAVY INDUSTRY PRD PGH TEXT OF ARTICLE FOLLOWS BY AIR PRD TODAY'S RED STAR PUBLISHED PHOTOGRAPHS OF WOMEN IN BERLIN EMPLOYMENT OFFICE AND OF MEN AT WORK IN REOPENED SAUSAGE FACTORY PRD PGH SENT TO DEPARTMENT AS 1743 SMN REPEATED TO PARIS FOR MURPHY AS 132

KENNAN

CG/143P

ME-1886

PLAIN

MAY 11 1945

Moscow

Dated May 9, 1945

Rec'd 12:13 a.m., 10th

FW1 VIA FRONT

3157 MOSCOW 881 10 0128

PRESS SECRETARY WASHINGTON

1522 NINTH REDSTAR FOR MAY EIGHT DEVOTES HALF OF PAGE FOUR TO ARTICLE BY OUTSTANDING SOVIET ECONOMIST A LEONTIEV ENTITLED "THE HITLERITE STATE A ROBBER ORGANIZATION." SUMMARY FOLLOWS:

WAR OF HITLERITE IMPERIALISTS WAS FIRST OF ALL ROBBERY PAID OF UNPRECEDENTED PROPORTIONS, IN THIS RESPECT HITLERITES FOLLOWED OLD TRADITIONS OF GERMAN AGGRESSORS. IN FIRST WORLD WAR GERMAN IMPERIALISTS LOOTED CONQUERED COUNTRIES.

GERMANY SUCCEEDED IN ESCAPING PAYMENT OF REPARATIONS TO COUNTRIES WHICH HAD SUFFERED FROM HER AGGRESSION IN FIRST WORLD WAR AND RECEIVED LOANS OF MANY BILLIONS PARTICULARLY IN AMERICA WHICH WERE UTILIZED TO FURTHER DEVELOP WAR INDUSTRY.

IN PRESENT WAR GERMAN ROBBERY WAS ON A SCALE FAR EXCEEDING ANY PREVIOUS EXAMPLE. FROM RICH COUNTRIES OF WESTERN EUROPE HITLERITES EXTRACTED RAW MATERIALS THROUGH INDUSTRIAL ENTERPRISES IN ACCORDANCE WITH PLAN OF TAKING AS MUCH AS POSSIBLE AND UTILIZING WHAT WAS LEFT IN THESE COUNTRIES TO SERVE HITLERITE MILITARY MACHINE. HIGHEST HOPES OF HITLERITES WERE CONNECTED WITH WAR AGAINST SOVIET UNION. THEY HOPED TO SEIZE ITS WEALTH AND ENSLAVE AND PARTIALLY EXTERMINATE ITS POPULATION. THEY CREATED "ECONOMIC STAFFS" WHOSE PURPOSE WAS TO GIVE GERMANY SUFFICIENT RESOURCES FOR LONG WAR AGAINST ENGLAND AND AMERICA. FOR EXAMPLE, HITLERITES FORCED CZECHOSLOVAKIA TO "SELL" ITS GRAIN WITHOUT PAYMENT AND THEY TOOK FROM HOLLAND NINETY PERCENT OF ITS BUTTER.

HITLERITES TOOK INTO THEIR OWN HANDS APPARATUS OF PRODUCTION OF OCCUPIED COUNTRIES. THEY BOUGHT SHARES IN BANKING AND INDUSTRIAL ENTERPRISES AT RIDICULOUSLY LOW PRICES. SOME BUSINESSMEN SUCH AS REINOLD AND CITROEN, AND MANY OWNERS OF COAL MINES IN NORTHERN FRANCE AGREED TO COOPERATE WITH INVADERS AND PUT THEIR PLANTS AT SERVICE OF GERMAN WAR MACHINE. ACCORDING TO OFFICIAL STATISTICS FRENCH METALLURGICAL PLANTS DELIVERED TO GERMANY DURING OCCUPATION NO LESS THAN FOURTEEN MILLION TONS OF STEEL.

HITLERITE GERMANY BECAME NOT ONLY WAREHOUSE FOR HANDSOMELY SELLER BUT TREMENDOUS SLAVE MARKET. OVERBUNDLING EXHAUSTING LABOR AND HUNGER WERE LOT OF FOREIGN SLAVES BOTH WAR PRISONERS AND CIVILIANS BROUGHT INTO HITLERITE SLAVERY. THEIR LABOR PERFORMED HARDEST PART OF CHARGE CREATED RICHES MEASURED IN BILLIONS. WHILE BEFORE HITLERS ATTACK ON THE SOVIET UNION NUMBER OF FOREIGN WORKERS IN GERMANY DID NOT EXCEED ONE MILLION OR MILLION AND HALF IN FINAL STAGE OF WAR NUMBER OF FOREIGN WORKERS HAS BEEN FROM TWELVE TO FIFTEEN MILLION PEOPLE.

GERMANS PLACED BUSINESS OF ORGANIZED PLUNDER LIKE BUSINESS OF MASS DESTRUCTION OF POPULATION OF EUROPEAN COUNTRIES ON BROAD BASE. THEY WORKED OUT

cc:5/15/45 For Information: Messrs. Feig, Delancy (4), Blake (2), Brenner, Eisenhower, Locker, Miss Burnatt, Mrs. Henderson, NY Fed. General Records: "Safehaven".

dg

SYSTEM OF SUCKING OUT ALL VITAL JUICES OF EUROPEAN PEOPLES. TO THIS SYSTEM BELONGED SUCH MEASURES AS "RESTITUTION FOR OCCUPATION EXPENDITURES," SPECIAL OCCUPATION CURRENCY, NOTORIOUS SYSTEM OF CLEARING ACCOUNTS FOR VARIOUS COUNTRIES, ETC. AND SO FORTH CHARGES LEVIED BY GERMANS FOR OCCUPATION EXCEEDED BY MANY TIMES ACTUAL EXPENDITURES FOR MAINTENANCE OF OCCUPYING TROOPS ALL THE MORE SINCE THESE TROOPS LIVED SO TO SPEAK ON "GREEN PAPER," THAT IS BY ROBBING LOCAL POPULATION, FRANCE HAD TO PAY SEVEN TO EIGHT BILLION MARKS PER YEAR FOR OCCUPATION EXPENSES. IT IS ENOUGH TO REMEMBER THAT GERMANY MADE A TOTAL OF ABOUT TEN BILLION MARKS UNDER VERSAILLES TREATY OVER PERIOD OF SEVEN YEARS. ANOTHER MEANS OF PUMPING OUT REAL VALUES WAS ISSUANCE OF SO CALLED OCCUPATION MARKS. FOOD AND OTHER PRODUCTS ACCORDED BY THESE MARKS WAS ALL SENT TO GERMANY IN BROAD FLOW.

FINALLY A NO LESS EFFECTIVE METHOD OF PLUNDER WAS SO CALLED CLEARING OPERATIONS WHICH WERE APPLIED CHIEFLY IN STABILIZED COUNTRIES OF ITALY AND ALSO IN CERTAIN OCCUPIED COUNTRIES WHERE HITLERITE ATTEMPTED AT LEAST PARTLY TO MASK THEIR THEFT WITH FIGURE OF "EQUILIBRIUM." SYSTEM OF "CLEARING" CONSISTED IN PRACTICE EXPORTATION BY GERMANS OF ALL VALUES FROM OTHER COUNTRIES GIVING NOTHING IN RETURN EXCEPT NOTION OF THEIR "DEBT" IN CURRENT ACCOUNT OF COUNTRY IN QUESTION.

IT IS NOW OF COURSE DIFFICULT TO SAY HOW GREAT IS TOTAL SUM OF RICHES PUMPED OUT BY GERMANY FROM OCCUPIED COUNTRIES DURING WAR. CERTAIN FIGURES CITED IN PRESS HOWEVER GIVE PICTURE OF SOME OF THIS GRANDIOSO PLUNDER. THIS FOR EXAMPLE IN BOOK "PLUNDER OF EUROPE", BY T. REVELL WHICH HAS BEEN ISSUED IN NEW YORK ESTIMATE IS PRESENTED WHICH INDICATES THAT TOTAL SUM OF GERMAN REVENUES FOR FIRST YEAR OF OCCUPATION WAS ABOUT NINETY BILLION MARKS. THAT IS AS MUCH AS GERMANY PAID FOR ADJUTMENT FROM THE HITLER CLASH INTO POWER IN 1933 TO BEGINNING OF WAR IN 1939. "THE HITLERITE MILITARY CONCEPT", WRITES REVELL, "WAS ABLE DURING FIRST YEAR OF OPERATION TO SHOW A PROFIT SUFFICIENT TO COVER ALL CAPITAL EXPENDITURES MADE SINCE ITS FOUNDATION."

THEFT OF GERMAN DESTROYERS IN OCCUPIED REGIONS OF SOVIET UNION BORE AS IS KNOWN ESPECIALLY BELASTLY CHARACTER.

AS RESULT OF FILLING OF EUROPE UNPRECEDENTED PLUNDERATION OF OCCUPIED COUNTRIES OCCURRED.

ORGANIZED PLUNDER IN OCCUPIED EUROPE GAVE HITLERITE OPPORTUNITY TO MAINTAIN STANDARD OF LIVING GERMAN PEOPLE SHIFTING WHOLE BURDEN OF WAR ONTO OCCUPIED COUNTRIES.

GERMANY WILL HAVE TO PAY WITH HER PLUNDERED RICHES. SHE MUST REPLY FREEDOM LOVING PEOPLES AND FIRST OF ALL PEOPLES OF USSR FOR DAMAGE WHICH SHE HAS CAUSED.

ENCL.

41/1213 AM

(MAY 10, 1945)

COMM 52ND LINE FROM 6TH WARD FIELD X X X TROOPS ALL THE MORE SINCE THESE TROOPS LIVED SO TO SPEAK ETC. ON PAPER?

12"

Poland

4

DEPARTMENT
OF
STATE

001-1070

INCOMING
TELEGRAM

PLATH

Moscow

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

Dated May 30, 1945

Rec'd 1:46 p.m., 31st.

PR4

3166 MOSCOW 467 31 1750
PRESS SECSTATE WASHINGTON

JUN 1 - 1945

U.S.
LIAISON OFFICE

1920 THIRTIETH
FOLLOWING POLISH ITEMS HAVE APPEARED RECENTLY IN MOSCOW PRESS CLM
PGH ONE PRD RED STAR FOR MAY TWENTYSEVENTH PUBLISHED AN EFIMOV
CARTOON ENTITLED QTE REVIEW OF POLISH FASCIST COMMAND ENDQTE PRD
CARTOON SHOWS SOSNOKOWSKI IN NAPOLEONIC POSE MOUNTED ON A WERRY
ING REVIEWING A COMPANY OF WHICH ONLY TWO FIGURES REPRESENTING
ANDERS AND BOR HYPHEN KOMAROWSKI ARE VISIBLE
PRD BOR HYPHEN KOMAROWSKI IS DRESSED IN A GERMAN UNIFORM WITH
AN IRON CROSS HANGING FROM HIS NECK AND IS GIVING THE NAZI SALUTE
PRD ANDERS IS BLOWING A BUGLE CALL ENTITLED QTE MARCH ON MOSCOW
ENDQTE PRD PGH UNDER THE CARTOON APPEARS AN ARTICLE ENTITLED
QTE THE LEGAL CENTER FOR MONGERS OF THE NEW WAR ENDQTE PRD THE
ARTICLE ATTACKS STANISLAW MACKIEWICZ FOR A PAMPHLET IN WHICH HE
ALLEGEDLY DESCRIBES THE HORRORS OF RUSSIAN HEGEMONY IN EUROPE
AND ADVOCATES AN ANGLO SOVIET WAR CMM URGING THE BRITISH TO FORM
A MILITARY ALLIANCE WITH THE GERMANS PRD POLISH
EMIGRANTS IN LONDON CMM STATES ARTICLE CMM HAVE BECOME CENTER
FOR PROFESSIONAL INSTIGATION OF NEW WAR PRD ANYTHING WHICH FUR-
THERS PEACE AND INTERNATIONAL UNDERSTANDING FRIGHTENS THEM PRD
FOR THIS REASON THEY ARE PREDICTING FAILURE OF SAN FRANCISCO
CONFERENCE IN SPITE OF OPTIMISTIC STATEMENTS OF EDEN AND STETT-
INIUS PRD ARTICLE EXPRESSES ASTONISHMENT THAT BRITISH HOSPITAL-
ITY IS EXTENDED TO SUCH DISCIPLES OF GOEBBELS PRD PGH TWO PRD
PRESS FOR MAY TWENTYSEVENTH ALSO ANNOUNCED THAT DELEGATION OF
POLISH MINERS LEFT MOSCOW ON MAY TWENTYSIXTH TO RETURN TO POLAND
PRD PGH THREE PRD PRAVDA FOR MAY TWENTYEIGHTH PUBLISHES TASS
DESPATCH FROM WARSAW REPORTING APPEAL OF NATIONAL COUNCIL TO
POLISH PEOPLE TO PUT FORTH EVERY
EFFORT TO HASTEN RECONSTRUCTION OF WARSAW PRD COUNCIL RECOMMENDS
ESTABLISHMENT OF COMMITTEES FOR THIS PURPOSE THROUGHOUT POLAND
PRD PGH SECOND TASS DESPATCH FROM WARSAW REPORTS MEETING OF
POLISH DEMOCRATIC JURISTS ON MAY TWENTYTHIRD PRD
MINISTER OF JUSTICE SWIATKOWSKI URGED NECESSITY FOR UNIFICATION
OF LAWS OF POLISH STATE AND ADDED THAT TO POPULARIZE LAWS IT WAS
NECESSARY TO PUBLISH LITERATURE ACCESSIBLE TO BROAD MASSES OF
PEOPLE PRD VICE MINISTER HAJN EMPHASIZED NECESSITY FOR REFORMS
IN LEGAL EDUCATION PRD PGH FOUR PRD RED STAR FOR MAY TWENTYNINTH

-3-1920, Thirtieth, From Moscow.

REPORTED THAT INSTRUCTION HAS BEEN
RESUMED IN THE PRINCIPAL INSTITUTIONS OF HIGHER LEARNING IN
POLAND WHICH FOURTEEN THOUSAND STUDENTS ARE NOW ATTENDING PRD
PROVISIONAL GOVERNMENT HAS ALLOCATED EIGHT MILLION ZLOTYS FOR
STUDENT ASSISTANCE PRD PGH FIVE PRD PRAVDA AND IZVESTIYA FOR MAY
THIRTIETH REPORTED GRADUATION OF EIGHTHUNDRED CADETS FROM OFFICER
TANY TRAINING SCHOOL AT MODLIN PRD OSOOKA HYPHEN MORAWSKI AND
PARTIAL AOLA HYPHEN ZYMERSKI WERE AMONG HIGH GOVERNMENT
OFFICIALS ATTENDING CEREMONY PRD TASK OF ARMED FORCES ACCORDING
TO AOLA HYPHEN ZYMERSKI IS TO MAINTAIN PEACE CMM DEFEND THE
WESTERN BORDERS AND ASSURE POLAND A FREE AND INDEPENDENT
EXISTENCE PRD PGH SENT TO DEPARTMENT AS 1920 SMN REPEATED TO
LONDON AS 234 HARRIMAN

IN 1:46PM

MAY 31, 1945.

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

123

LC-692

RECEIVED
DIVISION OF
CENTRAL SERVICES

PLAIN

1945 MAY 31 PM 5:30

Moscow via Army

DC/L
LIAISON

Dated May 30, 1945

Rec'd 6:50 a.m.

Secretary of State,
Washington.

1922, Thirtieth

Press for May 30th published despatch dated
lined Warsaw, May 28th, reporting arrival in Warsaw
of Dr. Hewlett Johnson, Dean of Canterbury, accompanied
by Oxford University Professor Day. Item states
that guests attended service in Catholic Church and
thereafter viewed ruins of Warsaw.

UNSIGNED

END

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

124

EDU-1048

PLAIN

Moscow via Army

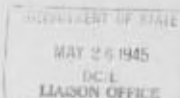
Dated May 25, 1945

Rec'd 3:45 p.m.

Secretary of State

Washington

1752, Twenty-fifth.



Hofman international review in RED STAR for May 24 states that many phenomena of postwar period now beginning in Europe arouse alarm in world democratic opinion. Progressive press more and more notes sharp contradiction between postwar aims expressed in Allied treaties and in Tehran and Crimea decisions and policy of certain circles directed towards undermining or revising these decisions. Hofman accuses enemies of Soviet Union and of democratic reconstruction of Europe of seeking to revive policy of alleged effort of "definite circles of Allied countries" to use for reactionary aims defeated Hitlerites who are now prepared to play part of landsharketten. Prussian military clique, he states, has always been prepared to serve anyone who would assure it possibility of maintaining its domination over German people.

Bulk of article is devoted to Polish question, which Hofman links with precession situation in England and alleged efforts of Conservatives to whip up anti-Soviet feeling

12

125
-2- #1752, Twenty-fifth, from Moscow via Army.

feeling in connection with forthcoming election. Summary of this portion of review follows:

Nazis remnants in Germany have competitors in Polish Fascists, who have been busy for some time with plans for intervention against Soviet Union. Exposures recently in English press regarding what NEWS CHRONICLE calls "order for struggle against Russia of reorganized Polish Government" speak for themselves.

We wish to emphasize military aspect of matter. Polish-Fascists are not generals without units. In addition to units which fought in Italy and France there is reserve army in Scotland which was distinct for special task in Poland and there are also Polish interventionist forces mobilized by German Command who are now prisoners in hands of Allies. Latter are not being sent home, but are included in Polish units. According to English press, there are about 300,000 Polish troops in England and on continent.

Polish generals in London are trying to get territory convenient for military headquarters. According to American radio commentator, Sergio, plans are being discussed in London to transfer Polish units to northwestern areas of Germany. According to some London reports, Polish quartermasters have already arrived in English occupation zone. In Wilhelmshafen, Polish colonel representing General Anders demanded

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-3- #1752, Twenty-fifth, from Moscow via Army.

demanded that as many Polish flags be flown for arrival of General Anders as Nazi flags used to be flown for Hitler's visits. Allied authorities apparently supported his request for on following morning Wilhelmshafen was covered with Polish flags, to manufacture which entire population of city worked all night. This report gives rise to thought that Polish Fascists enjoy special privileges in English occupation zone.

Preservation of Fascist and semi-Fascist regiments, encouragement of groups whose aim is to fight USSR and states of Europe friendly to it, efforts to create military and political bases with view to concentrating cadres of mercenaries, characterize policy of certain circles in Allied countries. Most important problem which must be decided on democratic basis is eradication of Fascism not only in Germany but in other countries where its seeds have been preserved. Parliamentary elections will be held sooner or later in many democratic countries. Democratic parties are preparing for them under slogans of strengthening coalition of freedom loving peoples and achieving moral and political destruction of Fascism. Interests of preparation for elections also dominate Conservative parties and groups. Leaders of English Conservative Party, for example, often in past attempted to derive profit

127

-4- #1752, Twenty-fifth, from Moscow via Army.

profit from instability in international arena.

Coalition has disintegrated in England and in scheduled elections there will apparently be sharp struggle. Laborite leader Morrison has recalled that hysterical atmosphere of elections following first World War led to triumph of reactionary forces. Without doubt, flood of tendentious articles in English Conservative press in last few days has been designed to alarm average Englishman. Typical is article in ECONOMIST comparing Russia in 1916 and in 1945. Attempt to equate democratic policy of Soviet Union with reactionary policy of Alexander First gives away purposes of author, which have nothing in common with strengthening friendship of English and Soviet peoples.

Soviet Union desires realization of Crimea decisions, which President Roosevelt stated were good start toward general peace. Anyone reading Comrade Stalin's statement to Parker can understand that only realization of Crimea decision can create guarantee for firm peace.

LONDON TIMES and SUNDAY EXPRESS recognize this fact but majority of English press lends itself to slanderous fabrications of Polish Fascists. Those who seek to revise Crimea decisions expose themselves as enemies of progress and peace.

Message Unsigned

WTD

12"

DEPARTMENT
OF
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TCD-805

RECEIVED
DIVISION OF
CENTRAL SERVICES

PLAIN

1945 MAY 25 AM 9 33

Moscow

Dated May 24, 1945.

DC/L
LIAISON

Rec'd 6:40 P.M.

PUB VIA PREVI

3137 MOSCOW 522/521 24 2040

PRESS SECSTATE WASHINGTON
1733 TWENTYFOURTH MOSCOW PAPERS FOR MAY TWENTYTHIRD PUBLISH
FOLLOWING POLISH ITEMS CLN PGM ONE PRD ACCOUNT OF LARGE PUBLIC
MEETING HELD IN WARSAW ON DAY OF POLISH PEASANTS PRD MEETING WAS
ATTENDED BY DELEGATES TO PEASANT CONGRESS AND WARSAW INHABITANTS
PRD OSOBA HYPHEN MORAWSKI CMM ADDRESSING MEETING CMM PAID TRI-
BUTE TO ROLE OF PEASANTS IN STRUGGLE AGAINST GERMANS PRD HE
EMPHASIZED POLANDS DESIRE FOR PEACE AND SECURITY AND EXPRESSED
CONFIDENCE THAT THESE OBJECTIVES WOULD BE ATTAINED BY PEOPLES OF
THE WORLD HEADED BY GREAT POWERS PRD POLAND WILL PARTICIPATE
IN CREATION OF PEACE AND SECURITY PRD OSOBA HYPHEN MTRAWSKI
EMPHASIZED NECESSITY FOR ALL MANNER OF ASSISTANCE TO PEASANTS
IN ESTABLISHING THEMSELVES ON THEIR NEW LANDS PRD IN IMPORTANT
TASK WAS REMOVAL OF ECONOMIC AND CULTURAL BACKWARDNESS OF POLISH
COUNTRYSIDE PRD PGM MEETING ADOPTED RESOLUTIONS EXPRESSING
THANKS TO NATIONAL COUNCIL AND PROVISIONAL GOVERNMENT FOR THEIR
ACTIVITIES AND PROMISING THEM FULL SUPPORT SMN EXPRESSING
GRATITUDE TO RED ARMY AND STALIN FOR LIBERATION OF POLAND SMN
DECLARING DETERMINATION TO DEFEND DEMOCRATIC POLAND AGAINST IN-
TRIGUES OF POLISH REACTION SMN AND DEMANDING MERCILESS PUNISH-
MENT OF WAR CRIMINALS PRD PGM TWO PRD TASS REPORT FROM NEW YORK
SUMMARIZING STATEMENT OF PROFESSOR ZLOTOWSKI TO REPORTERS COM-
CERNING SITUATION IN POLAND PRD ZLOTOWSKI REPORTEDLY UNDERLINED
REAL DEMOCRATIC CHARACTER OF WARSAW GOVERNMENT AND DECLARED
THAT POLAND MUST MAINTAIN FRIENDLY RELATIONS WITH SLAVIC NATIONS
CMM ESPECIALLY SOVIET UNION PRD PARID PAGE OF INDUSTRIALIZATION
AND ECONOMIC SECURITY OF POLAND WOULD DEPEND ON TRADE RELATIONS
WITH SOVIET UNION ON FRIENDLY BASIS PRD SOVIET UNION WAS NATURAL
MARKET FOR POLISH INDUSTRIAL PRODUCTION ESPECIALLY DURING RE-
CONSTRUCTION PERIOD PRD AGRARIAN REFORM CORRESPONDED TO NEEDS
OF POLISH PEASANTRY AND CREATED FIRM BASIS FOR DEMOCRACY PRD
SOVIET HYPHEN POLISH PACT IN CONSIDERABLE MEASURE TORE OUT ROOTS
OF THIRD WORLD WAR PRD ZLOTOWSKI PRAISED PROVISIONAL GOVERNMENT
FOR ITS READINESS TO SUPPORT YALTA DECISIONS AND COLLABORATE
WITH THREE GREAT POWERS CMM AND CONDEMNED LONDON GOVERNMENT FOR
ITS REFUSAL TO DO SO AND FOR ATTEMPTING TO IMPAIR FRIENDLY RE-
LATIONS WITH SOVIET UNION PRD HE CRITICIZED AMERICAN POLES
WHO FAILED TO UNDERSTAND THAT POLISH PEOPLE HAD BASICALLY
CHANGED ITS RELATIONSHIP TO NEW RUSSIA AND HAD ENTERED ON PERIOD
OF FRIENDLY COLLABORATION WITH SOVIET UNION PRD HE ACCUSED LON-

DON POLES

12

129

-2-71735, Twenty-fourth, from Moscow

DON POLES OF INTENDING TO SEIZE POWER IN POLAND WITH VIEW TO PROVOKING CIVIL WAR AND ASSERTED THAT GREAT MAJORITY OF POLISH PEOPLE SUPPORTED WARSAW GOVERNMENT CMM THEREBY MAKING CIVIL WAR IMPOSSIBLE PRD WITH REFERENCE TO ARREST OF SIXTEEN POLES HE CLAIMED THAT IT CONSTITUTED NEW EVIDENCE OF SUBVERSIVE ACTIVITY OF ANTI DEMOCRATIC ELEMENTS LED BY LONDON GOVERNMENT PRD PGH THREE PRD CAUSTIC FEUILLETON INSPIRED BY BOR MYPHEN KOMAROWSKI PRESS CONFERENCE PRD ARTILCE MOCKS BORKOMAROWSKIS STATEMENTS TO CORRESPONDENTS CMM TAUNTS HIM WITH FAILURE OF WARSAW UPRISING CMM AND FIRMLY REJECTS HIS PLEA FOR MUTUAL UNDERSTANDING PRD IN CONCLUSION IT STATES THAT BORKOMAROWSKI IS UNDERSTOOD WELL ENOUGH BY THE RUSSIANS AND THAT JUDGING BY CUMMINGS RECENT ARTICLE MANY ENGLISHMEN ARE ALSO BEGINNING TO UNDERSTAND WITH WHAT MEAN PROVOCATEURS AND DIRTY ADVENTURERS THEY HAVE TO DO PRD PGH SENT TO DEPARTMENT AS SEVENTEEN THIRTYTHREE SMN REPEATED TO LONDON FOR SCHOENFELD AS TWOHUNDRED TWENTYONE

KENNAN

LD/ 540P

MAY 24TH 1945

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

MFD-1000

DIVISION OF
CENTRAL SERVICES

PLAIN

155 MAY 26 AM 9 32

Moscow

Dated May 24, 1945

DC/L
LIAISON

Rec'd 1:30 p.m., 25th.

PM 9 VIA PREWI

3171 MOSCOW 227 25 1648

PRESS SECSTATE WASHINGTON

TWENTYFOURTH FOLLOWING POLISH ITEMS FROM POLPRESS CLN PCH ONE
PRD POLITICAL PRD ADMINISTRATIVE OFFICIALS HEADED BY ADSTAROSTA
HAVE GONE TO DISTRICTS OF GLUPCZYCA CMM GROTOW PAREN
GROTKAU ENDPAREN CMM PRADNICA CMM NIEMODLIN AND RACIBORZ PAREN
RATIBOR ENDPAREN ON LEFT BANK OF SILESIA HYPHEN DABROWA PROVINCE
WILL BE INCORPORATED INTO SILESIA HYPHEN DABROWA PROVINCE
PRD PCH TWO PRD ECONOMIC PRD MOVEMENT OF SETTLERS TO OPOLE
SILESIA IS PROCEEDING AT MORE RAPID PACE PRD ABOUT ONE THOUSAND
PERSONS RECENTLY ARRIVED IN OPOLE DISTRICT PRD EIGHTHUNDRED SIX-
TEEN FAMILIES TOTALLING TWENTYSEVEN HUNDRED THIRTYFOUR PERSONS
ARRIVED IN KLUBZBORG DISTRICT IN TEN DAY PERIOD PRD
SETTLERS BRING TOOLS AND LIVESTOCK WITH THEM PRD THEY ARE
BEING SETTLED ON FARMS OF GERMANS PRD PCH SIXTY
BUILDINGS IN WARSAW INCLUDING SEVERAL FAMOUS ARCHITECTURAL
MONUMENTS AND GOVERNMENT BUILDINGS ARE BEING RESTORED PRD REPAIRS
WILL BE COMPLETED BY JULY FIRST PRD PCH ACCORDING TO STATEMENT BY
MAYOR CMM WARSAW POPULATION IS NOW FOURHUNDRED THOUSAND PRD PCH
THREE PRD CULTURAL PRD MANOR HOUSES AND PEOPLES REST
SUBDIVIDED ARE BEING TURNED INTO SCHOOLS AND PEOPLES REST
HOMES PRD PCH PUBLIC OPINION AND UNIVERSITY CIRCLES DEMAND
REMOVAL OF PROFESSORS ACCUSED OF COLLABORATION WITH NAZIS
PRD COMMISSION TO INVESTIGATE CHARGES AGAINST INDIVIDUAL
PROFESSORS HAS BEEN APPOINTED PRD PCH SENT TO DEPARTMENT
AS SEVENTEEN HUNDRED HUNDRED FORTYONE SON REPEATED TO LONDON
FOR SCHOENFELD AS TWOHUNDRED TWENTYTWO

KINNAN

ER/.. 130P

DEPARTMENT
OF
STATERECEIVED
DIVISION
CENTRAL SERVICES
INCOMING
TELEGRAM131
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

MD-1047

PLAIN

1945 MAY 26 AM 9 07

Moscow via Army

Dated May 26, 1945

DC/L
LIAISON

Rec'd 3:58 p.m., May 25.

Secretary of State
Washington

1740, Twenty-fourth

Issue number ten of WAR AND THE WORKING CLASS for May fifteenth contains an article by K Rudnicki entitled "Resurgent Poland". Rudnicki summarizes economic achievements of the provisional government, defends the present structure against charges that it is undemocratic and violently attacks Polish reactionaries for stirring up trouble in Poland.

One. At the outset Rudnicki states that Poland is bravely breaking new paths of development on a foundation of broad political and economic democracy and is winning the sympathy of all progressive strata in the freedom loving nations. It is not surprising that democratic Poland had become a target for the attacks of all the dark reactionary forces of the world. Polish reactionaries are launching unrestrained attacks on democratic Poland and, counting on ignorance of many people abroad,

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-2- (1740, Twenty-fourth, from Moscow via Army people abroad, are trying to maintain that there is no state authority and that country is in state of chaos and disintegration. These malicious enemies of the Polish people endlessly shout about hunger, terror and the incapacity of the government to introduce order in the country.

There is no better means of countering these libels, says Rudnicki, than by turning to actual conditions in contemporary Poland. No objective observer can fail to be impressed by rapidity and scope of measures by which young Polish Government has met exceptionally difficult tasks facing it. Polish people under leadership of its democratic government is successfully effacing traces of German occupation, energetically struggling against disintegration and restoring normal life while carrying out basic reforms deeply touching social and economic structure of country.

Reports made at recent session of National Council were clear expression of successes of young Polish democracy. Vitality of united popular front, stability and workability of four party bloc were proven in practice.

Two. In second section of article Rudnicki discusses progress

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-3- (1740, Twenty-fourth, from Moscow via Army discusses progress made in reconstruction of Polish country. Provisional government faced extremely difficult situation when Poland was liberated. Industrial enterprises had been destroyed or were without fuel and raw materials. Workers were threatened with unemployment. Rural areas had been exhausted by steady requisitions and forced deliveries. Herds were seriously depleted and number of horses had been greatly diminished. Trade was destroyed and disorganized and in the western provinces the commercial network was nonexistent. Transport had likewise fully disintegrated with the destruction of equipment and tracks and lack of rolling stock. Currency was also completely disorganized as result of use of different currencies in various liberated areas and the threat of inflation caused by large quantities of worthless money issued by Germans. Situation was aggravated by partition of Poland into different economic areas. There was also lack of skilled workers in industry and absence of an organization in economic life which could immediately begin to function.

It is already possible to catalog results of enormous work done in exceptionally short time. As result of these

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--@1740, Twenty-fourth, from Moscow via Army
result of these labors the threat of economic catastrophe
and mass unemployment has been entirely removed. Democratic
Poland is approaching a normal organization of its economic
life on new principles.

Great majority of industrial enterprises have been
put in operation. Entire textile industry, most of coal
industry and majority of metallurgical, chemical and
metalworking enterprises are working. Thanks to Soviet
Union supply of cotton to textile industry is fully
assured. Supply of raw materials to other branches of
industry is steadily improving. Placing in operation of
principal mines of Dabrowa - Silesian basin and improvement
of transport has made it possible to supply fuel for all
industries without interruption. Recently a number of
enterprises have instituted a second shift. Largest
locomotive factory in Poland at Chrsanow has begun to
work normally and has started serial production of new
locomotive and repair of rolling stock.

TEXTILE industry is now more than sixty percent of
previous figure and is increasing daily. On February
first 1980 workers were employed in Lodz textile industry.
On May first 80,000. Labor shortages are already being
felt in textile and coal industries.

In most important

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--@1740, Twenty-fourth, from Moscow via Army

In most important branches of industry, government
is taking measures to increase production and raise
productivity of labor. Schedules call for May coal
production of 110 percent and June production of 230
percent of March output with increase of labor productivity
of 50 and 80 percent respectively. Ten coal combines
have been formed. Organization has also been formed to
regulate distribution of products of principal industries.
Second Academy of Mines has been opened in Breslau as well
as number of institutes to train technicians for heavy
industry.

Great accomplishments have been recorded in railway
transport. Beginning from scratch, railways transported
more than a million tons of freight in April. Rural areas
have been supplied with seed and industry with raw materials
and coal. Railway network has been repaired to point where
all lines may now be used. Regular passenger and freight
traffic has begun. Rolling stock has been augmented by
hundreds of locomotives and thousands of cars which
have been repaired or newly built. Measures have been
worked out to adapt transport movements to new geographical
and economic position of country. Provisional government
has decided to establish institute for transport engineers
and a network

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-6- #1740, Twenty-fourth, from Moscow via Army and a network of technical schools for railway employees.

Number of other steps have been taken to normalize Polish economic life. Besides taking over heavy industry, state was obliged by absence of owners to extend its administration also to large number of small and medium-sized enterprises. One of provisional government's first steps was to admit and encourage private enterprise and private capital in small and medium sized industry. Such enterprises are now being turned over to industrial cooperatives or leased to private individuals. Throughout industry collective contracts have been concluded. Question of the organizational structure of economic life, both in its entirety and within enterprises, particularly mutual relations between employers and workers representatives, are being successfully solved.

Trade, wherein a broad field is open to private initiative, is reviving. Commercial networks is being systematically expanded.

Avoiding danger of inflation and successfully solving problem of creating single currency system throughout Poland, government is introducing uniform fixed prices for consumers goods and is successfully fighting speculation.

Important condition

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-7- #1740, Twenty-fourth, from Moscow via Army

Important condition for successes achieved in fight against economic disintegration is patriotic surge of Polish working class which finds expression in self-sacrificing labor and conscientious attitude toward production and national welfare. Productivity of labor is steadily increasing. Movement for competition between enterprises is beginning. Leds textile workers are already engaging in such competition. Patriotic attitude of Polish worker toward democratic state is pledge of rapid economic rebirth of Poland.

Three. The third section is devoted to land reform. Rudnicki states that provisional government took first steps toward land reform even before shooting stopped. Conditions in rural areas, which had suffered from hostilities and German requisitions, were bad. Situation was complicated by fact that liberation occurred on eve of planting season, necessitating speedy action.

Landlords in London Government, posing as friends of Polish peasants, howled that all "experiments" would doom country to hunger. Provisional government, confident of people's support, did not quail before difficulties. It understood that planting could be done and hunger overcome only by increasing activity of millions of peasants,

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-8- #1740, Twenty-fourth, from Moscow via Army of presents, on condition that peasants immediately received land and became its legal owners.

Land reform was carried out with complete success thanks to active participation of entire people, notwithstanding sabotage, terror and hostility of its opponents. It is now for practical purposes completed. 4,300,000 hectares have been taken from landlords. These lands have been distributed to their new owners with following exceptions:

State forests and land for raising blooded stock, 65,000 hectares;

Agricultural schools, 15,000 hectares; farms for raising high quality stock 76,000; and unspecified amounts for workers and employees gardens and for land fund to provide for resettlers from overpopulated provinces.

During course of land reform, Peasants Mutual Aid League was formed. League has hundreds of thousands of members and is largest organization of Polish peasantry. All industrial enterprises on estates such as dairies, mills, and spirits, sugar, brick and pottery factories have been placed under directorship of league. League is organizing distribution of agricultural produce, opening schools, aiding in rebuilding farms destroyed during war and

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-9- #1740, Twenty-fourth, from Moscow via Army

during war and taking active part in sowing campaign. League is active in all phases of rural life. Sowing campaign was successfully carried out in face of enormous difficulties, sabotage of land owners and diversionary attacks by bands instructed by emigrant government to disrupt campaign by plundering transports of grain and murdering government representatives. Ninety percent of arable areas have been sown. Only areas not yet unsown are not under cultivation. Success in sowing campaign was achieved thanks to political consciousness of peasants and activity of Mutual Aid League.

Peasant masses are convinced that policy of provisional government is directed toward raising welfare of countryside and increasing production of agricultural product on basis of individual farming. This policy of the government irrefutably shows falsity of rumors by agents of Polish reaction concerning propagation of collective farms and preparations for collectivization in Poland.

Four. Following section deals with increase in political activity in Poland. Never before have such mass parties as Peasants Party, Socialist Party and Workers Party existed in Poland. Peasants are joining trade unions which now number 700,000 members, Peasants Mutual Aid League and Union of Western Lands, as well as dozens of cultural and cooperative organizations. Huge May Day demonstrations

1410
-10-1740, Twenty-fourth, from Moscow via Army

demonstrations were evidence of popular confidence in provisional government on part of wide masses of people.

FIVE. Final section defends democratic nature of provisional government and attacks emigre reaction. Rudnicki states that emigrants and their accomplices in various countries are shouting about lack of "democratic rights" and "freedom for political activity" in Poland. He contends that democratic rights exist for entire Polish people, and for all honorable sons of Poland who aspire to a strong independent Poland in which repetition of September 1939 will be impossible. Present democratic regime assures every Polish citizen without distinction of race, religion and political convictions possibility of every kind of public, professional and political activity. Any democratic organization supporting 1921 constitution is admitted to participation in political life. Hundreds of former political figures without distinction of party and past are actively participating in construction of new state, provided only that they are willing to work honorably for democracy and to serve the people and not its enemies.

Polish people desire permanent peace and close fraternal friendship with Soviet Union. It aspires to creation of firm bulwark against German aggression. Masses of population demanded treaty of friendship and mutual assistance with Soviet Union. Conclusion of this pact

1411
-11-1740, Twenty-fourth, from Moscow via Army

pact was clear evidence of respect for democratic rights, opinions and demands of people. Further evidence is provided by realization of land reform, demanded by Polish people for more than twenty years, and by confiscation by state of heavy industry formerly in the hands of foreign trusts and companies which exploited Polish people and hampered economic development of country.

Polish reaction, fearing that it is losing its grip, is resorting to tactics of open terror. Names of its victims have been published in Polish press. Fascist bandits are pursuing Hitlerite policy of annihilation of Jews in Poland and systematically attacking and murdering Jews. In rural areas they are trying to disrupt agricultural deliveries in order to starve population of towns. In the towns they utilize food difficulties to poison population against peasantry and government. Sabotage, diversion and terror are principal weapons of criminals acting under orders of London Government. In these circumstances feverish yelps about democratic rights are merely smoke screen for armed bands of murderers. Leaders of bandits desire to legalize their criminal activities, disrupt peaceful creative work of government and throw country into civil war.

Polish people and its democratic government gladly invite to cooperative effort all sincerely democratic elements who wish to build strong and independent Poland.

They

142
-12-21740, Twenty-fourth, from Moscow via Army

They decisively reject suggestion that they have anything in common with murderers and their inspirers. There can be no freedom for terrorist bands. Polish people did not win freedom and independence in order to nourish its own hangmen.

Polish reaction will not succeed in realizing its evil plans. It lacks the strength to do so. Its game is up. Every day it becomes more cut off from Polish people. Every new success of provisional government thrusts reactionary apostates deeper into the chaos of political oblivion. Any farsighted politician wishing firm peace in Europe and understanding Poland's role in this system cannot fail to reckon with undeniable fact of steady growth of authority and strength of provisional government and equally steady dispersal of strength of Polish reaction. Further support for enemies of Polish people from camp of reactionary emigrants and its henchmen will become increasingly prejudicial to normal development of peaceful relations in Europe.

With victorious conclusion of war, Polish people, rallied around its democratic government, with support of Soviet Union and other freedom loving nations, is rapidly reconstructing its state and organizing its peaceful life. In these conditions it is ridiculous to suppose that fate of Poland can be decided without participation of Polish people itself. To it belongs the

final

143
-13-21740, Twenty-fourth, from Moscow via Army

final word in all questions of internal and foreign policy of resurgent Polish state.

MESSAGE UNSIGNED

WTD

DEPARTMENT
OF
STATE

80-176

INCOMING
TELEGRAM
DEPARTMENT OF STATE

MAY 24 1945

DC/L

LIAISON OFFICE

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

PLAIN

Nowow

Dated May 23, 1945

Rec'd 1:35 p.m.

5 VIAPREMI

5H3093 MOSCOW 450 23 1735

PW

DEPT. OF STATE WASHINGTON
 TWENTYTHIRD FOLLOWING POLISH ITEMS FROM POLPRESS CLN PGN ONE
 PERIOD POLITICAL PERIOD A STATEMENT BY POLISH NOVELIST IWASZKIEW-
 ICH CONTAINS THE FOLLOWING DECLARATION COLON QUOTE TODAY AFTER
 LONG BONDAGE WROCLAW PAREN BRESLAU ENPRAGUEN IS OURS AGAIN AND IT
 WILL REMAIN OURS FOREVER PERIOD ENDQUOTE PARAGRAPH SPECIAL COM-
 MISSION IS INVESTIGATING GERMAN ACTIVITIES EXPERIMENTAL LABORATORY
 WHOZESZCZ NEAR DANZIG WHERE SOAP WAS MANUFACTURED FROM HUMAN
 CORPSES AND BONE POWDER PREPARED FROM HUMAN BONES PERIOD CORPSES
 WERE ALLEGEDLY SENT FROM NEARBY CONCENTRATION CAMPS PERIOD PARA-
 GRAPH AT PLENARY SESSION OF NATIONAL COUNCIL EARLY IN MAY MINIS-
 TER OF PUBLIC SECURITY RADKIEWICZ STATED THAT SECURITY CONDITIONS
 IN POLAND WERE RETURNING TO NORMAL PERIOD POLISH REACTIONARIES
 AND FASCISTS WERE USING VARIOUS MEANS TO COMBAT DEMOCRATIC POLISH
 STATE PERIOD USE OF TERRORISM BY REACTIONARY GROUPS WAS PROOF OF
 THEIR WEAKNESS PERIOD RADKIEWICZ CONDEMNED CRIMINAL ACTIVITIES OF
 AGENTS OF BOSNKOWSKI COMMA RACZKIEWCZ ANTE BIELECKI WHO ARE MUR-
 DERING INNOCENT PEOPLE INCLUDING CHILDREN PERIOD GOVERNMENT WOULD
 NOT TOLERATE THIS CRIMINAL ACTIVITY PERIOD IT REMEMBERED FATE OF
 LUSLIN GOVERNMENT IN NINETEEN EIGHTEEN WHEN GOVERNMENTS WEAKNESS
 LED TO ITS DOWNFALL PERIOD THAT BLUNDER WOULD NOT BE REPEATED
 PERIOD SECURITY ORGANS WOULD STAND GUARD OVER YOUNG POLISH STATE
 PERIOD OLD OFFICIALS WHO SERVED POLISH REACTION AND GERMAN INVAD-
 ERS HAD BEEN ELIMINATED FROM NEW SECURITY APPARATUS PERIOD NEW
 CADRES HAD BEEN TRAINED FOR SECURITY ORGANS AND HAD PROVED THEIR
 LOYALTY TO DEMOCRACY PERIOD RADKIEWICZ PROMISED THAT COMPLAINTS OF
 INCORRECT BEHAVIOR BY SECURITY OFFICIALS WOULD BE EXAMINED PERIOD
 PARAGRAPH LARGO CADALLERO FORMER SPANISH PRIME MINISTER WAS LID-
 ERATED BY POLISH TROOPS FROM CONCENTRATION CAMP IN ORANIENBURG
 WHERE HE HAD BEEN IMPRISONED SINCE NINETEEN FORTYTHREE PERIOD
 PERIOD CULTURAL PERIOD POLISH SECTION OF PEN CLUB HAS DECIDED TO
 RESUME ITS ACTIVITIES PERIOD PROVISIONAL BOARD OF DIRECTORS CON-
 SISTS OF JAN PARANDOWSKI PREWAR CHAIRMAN SEMICOLON SOPHIA NALKOW-
 SKA PREWAR VICE CHAIRMAN SEMICOLON JAROSLAW IWASZKIEWICZ SEMICOLON
 IRENA KRZYWICKA SEMICOLON AND JAN VIKTOR PERIOD PARAGRAPH SPALA
 FORMER SUMMER RESIDENCE OF POLISH PRESIDENT HAS BEEN TURNED

12"

145
-2- Unnumbered, May 23, 1946, 1:35 p.m., from Moscow

OVER TO WORKERS OF LODZ PROVINCE AS REST HOME PERIOD PARAGRAPH
EXECUTIVE BOARD OF POLISH TEACHERS UNION HAS PUBLISHED MESSAGE
TO POLISH TEACHERS ANNOUNCING THAT UNION IS RESUMING ITS ACTIVI-
TIES IN ATMOSPHERE OF REAL DEMOCRACY WHICH FOR FIRST TIME GIVES
POLISH SCHOOLS POSSIBILITY OF EFFECTING REFORMS FOR WHICH WORKING
MASSES AND PROGRESSIVE TEACHERS HAVE LONG BEEN FIGHTING PERIOD
UNION WILL SEEK TO INDUCE TEACHERS TO TAKE MORE ACTIVE PART IN
ACTIVITIES OF REGIONAL SELFGOVERNMENT COMMA COOPERATIVE MOMENT
COMMA TRADE UNIONS AND PEASANT AND YOUTH ORGANIZATIONS PERIOD
MESSAGE POINTS OUT NECESSITY FOR EXPANDING NETWORK OF ELEMENTARY
SCHOOLS AND IMPROVING INSTRUCTION FOR THOSE NOT ATTENDING SCHOOL
PERIOD PARAGRAPH SENT TO DEPARTMENT AS SEVENTEEN HUNDRED FIVE
COM REPEATED TO LONDON FOR SCHOENFELD AS TWOHUNDRED SEVENTEEN
KERNAN

GW/135PM

DEPARTMENT
OF
STATE
DSB-8INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICESDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

Moscow

1945 MAY 23 AM 9 17 dated May 22, 1945

Rec'd 10:20 p.m.

PWA12 VIA PREWI DC/L
3054 MOSCOW 650 22 2325

PRESS SECSTATE WASHINGTON
1691 TWENTYSECOND FOLLOWING POLISH ITEMS FROM POLPRESS CLN PCH
ONE PRD POLITICAL PRD POLISH LEGATION IN BELGRADE AND YUGOSLAV
LEGATION IN WARSAW HAVE BEEN RAISED TO RANK OF EMBASSIES QUE IN
ORDER TO ESTABLISH STABLE AND CORDIAL DIPLOMATIC RELATIONS BETWEEN
POLISH REPUBLIC AND DEMOCRATIC FEDERATIVE YUGOSLAVIA IN SPIRIT
OF SLAV SOLIDARITY AND BROTHERHOOD IN BLOOD AND ARMS BETWEEN TWO
NATIONS SEND PRD PCH POLISH HYPHEN ITALIAN AGREEMENT FOR PROTEC-
TION AND ASSISTANCE TO POLISH CITIZENS ON ITALIAN TERRITORY AND
ITALIAN SUBJECTS ON POLISH TERRITORY REPORTED IN MY FOURTEEN FOR-
TYFOUR MAY THIRD PROVIDES FOR ASSISTANCE TO NATIONALS OF OTHER
COUNTRY UNTIL THEIR REPATRIATION PRD THEY ARE TO RECEIVE LODGING
CMM FOOD AND FACILITIES FOR CORRESPONDENCE WITH THEIR RELATIVES
PRD THEY ARE ALSO TO BE GIVEN PAID EMPLOYMENT AND FACILITIES FOR
REPATRIATION PRD ARTICLE EIGHT PROVIDES THAT ITALIAN GOVERNMENT
CONSIDERS AS ITALIAN SUBJECTS ALL THOSE WHO REFUSED TO RECOGNIZE
SOCALLED REPUBLICAN FASCIST GOVERNMENT AND REFUSED COLLABORATION
WITH IT PRD POLISH GOVERNMENT CONSIDERS AS POLISH NATIONALS ONLY
THOSE WHO RECOGNIZE EXCLUSIVE AUTHORITY OF WARSAW GOVERNMENT PRD
ACCORDINGLY ONLY SUCH POLES WILL ENJOY BENEFITS OF AGREEMENT PRD
PCH AT PLENARY MEETING OF EXECUTIVE SECTION OF CENTRAL TRADE UNION
COMMISSION HELD IN WARSAW AT END OF APRIL CMM LONGTIME TRADE UNION
LEADER CMM WAS ELECTED VICE CHAIRMAN OF CENTRAL TRADE UNION COM-
MISSION PRD MEETING PASSED SEVERAL IMPORTANT RESOLUTIONS PRD ON
QUESTION OF WAGES COMMISSION CONSIDERED THAT AT THE PRESENT TIME
CHUX MATTER IS NOT CASH WAGES BUT SUPPLY OF FOODSTUFFS TO WORKERS
AT PRICES CONFORMING TO THEIR WAGE SCALE PRD WORKERS ARE NOT IN-
TERESTED IN INCREASING NOMINAL WAGES BUT IN RAISING THEIR REAL
VALUE PRD COMMISSION CALLED ON TRADE UNIONS TO WORK OUT WAGE SCHE-
MES FOR VARIOUS INDUSTRIES PRD SPECIAL DELEGATION FROM SESSION
WAS RECEIVED BY SZTACHELSKI CMM MINISTER OF SUPPLY AND TRADE CMM
WHO STATED THAT STEPS HAD BEEN TAKEN TO IMPROVE SUPPLY OF GOODS
TO WORKERS PRD COMMISSION APPROVED GOVERNMENT PROGRAM FOR PROVID-
ING VACATIONS FOR WORKERS PRD MEETING ALSO APPROVED STAND OF
GOVERNMENT ON QUESTION OF PARTICIPATION IN SAN FRANCISCO CONFER-
ENCE AND REQUESTED GOVERNMENT TO INCLUDE REPRESENTATIVES OF TRADE
UNION MOVEMENT IN ANY DELEGATION SENT TO CONFERENCE PRD PCH TWO
PRD ECONOMIC PRD HUTA POKOJ WORKS IN KATOWICE CMM ONE OF LARGEST
PLANTS IN SILESIA CMM HAS TAKEN UNDER ITS MANAGEMENT THREE PLANTS
IN INCORPORATED TERRITORY DASH IRONWORKS AT ZAUZE AND STEEL
FOUNDRY AND ROLLING MILL IN GLIWICE PRD COMPLEX IS NOW CAPABLE OF
PRODUCING ENTIRE SCHEDULE OF CRUDE IRON AND STEEL AND CAN TURN
OUT FLATCARS AND STEEL BRIDGE ASSEMBLIES PRD WORKS WILL COLLABOR-
ATE IN RECONSTRUCTION OF WARSAW CMM UNDERTAKING RECONSTRUCTION OF

-2-, #1691, Twenty-second, from Moscow.

BRIDGES AND CENTRAL RAILWAY STATION AND MANUFACTURE OF STEEL
FRAMES FOR HOUSES PRD WORKS NOW EMPLOYS FOUR THOUSAND MEN BUT
TEN THOUSAND WORKERS COULD BE EMPLOYED PRD WORKERS NOT NEEDED AT
OSTROWIEC AND STARACHOWICE PLANTS IN CENTRAL POLAND WHICH WERE
DESTROYED BY GERMANS ARE BEING SENT TO SILESIA PRD PCH MINISTER
OF COMMUNICATIONS RADONOWSKI IN PRESS INTERVIEW EMPHASIZED IMPOR-
TANCE OF TASK OF RESTORING ORDER IN COMMUNICATIONS PRD TRAIN SER-
VICE HAS NOW BEEN RESUMED ON ALL LINES PRD COAL IS BEING BROUGHT
FROM UPPER SILESIA TO MEET NEEDS OF RAILROADS AND INDUSTRIAL
CENTERS THROUGHOUT POLAND PRD SEED FOR SPRING SOWING CAMPAIGN HAS
BEEN SENT TO REMOTEST PARTS OF COUNTRY PRD COTTON FOR LODZ MILLS
IS BEING SUPPLIED REGULARLY FROM SOVIET UNION PRD MAIL AND PAS-
SENGER AIR SERVICE HAS BEEN RESTORED ON ALL MAIN AIRLINES PRD
PCH THREE PRD CULTURAL PRD UNIVERSITY OF POZNAN IS REOPENING ALL
FACULTIES WHICH EXISTED BEFORE NINETEEN THIRTYNINE PRD LARGE EN-
ROLLMENT OF STUDENTS IN BOTH OLD AND NEWLY OPENED DEPARTMENTS IS
EXPECTED PRD UNIVERSITY TRAINING IS BEING MADE AVAILABLE TO WORK-
ERS AND PEASANT YOUTH PRD UNIVERSITY SUFFERED HEAVY LOSSES FROM
HOSTILITIES AND ABOUT THIRTY PERCENT OF THE FACULTY WERE CASUAL-
TIES PRD PCH SENT TO DEPARTMENT AS SIXTEEN NINETEEN SMN REPEATED
TO LONDON FOR SCHOENFELD AS TWO HUNDRED AS TWO HUNDRED SIXTEEN
KENNAN

WF/1017P
MAY 22, 1945

771228

12

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

EF-1714

1945 MAY 28 AM 9 18

PLAIN

Moscow

DC/L
LIAISON

Dated May 27, 1945

Rec'd 9:45 p.m.

Secretary of State

Washington

1774, Twentysixth

Moscow papers May 26 devote half column to
quotations from radio speech made by De Gaulle on
May 24 in which it was promised that nationalization
of coal and electricity industries and credit system
would take place in 1946.

Repeated to Paris as 137.

HARRISMAN

UTD

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

200 4/19
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

RECEIVED
DIVISION OF
CENTRAL SERVICES

PLAIN

Moscow

1945 MAY 25 AM 9 35

Dated May 24, 1945

Rec'd 1:23 p.m., 25th

DC/L
LIAISON

RVA 8 VIA PREWI

3170 MOSCOW 108 25 1649

PRESS SECSTATE WASHINGTON

1742 TWENTYFOURTH TODAY'S PRAVDA DEVOTES ABOUT COLUMN AND QUARTER
TO DESPATCH DATED LINED PARIS MAY TWENTIETH QUOTING FROM
MANIFESTO ISSUED BY CENTRAL COMMITTEE OF FRENCH COMMUNIST PARTY
PRD PRAVDA ALSO PUBLISHES ITEM REGARDING RESOLUTION OF
NATIONAL COUNCIL OF RESISTANCE PRD ITEM QUOTED FROM FRANCE
PRESSE REPORT CMM STATES THAT RESISTANCE COUNCIL HAS DISCUSSED
POLITICAL SITUATION RESULTING FROM MUNICIPAL ELECTIONS AND THAT
COUNCIL AFFIRMS NECESSITY OF REALIZING CHARTER OF RESISTANCE
MOVEMENT AND DEMANDS THAT PROVISIONAL GOVERNMENT MUST BE
CHANGED CMM TAKING INTO ACCOUNT WILL OF PEOPLE EXPRESSED IN
GENERAL ELECTION PRD PGM SENT TO DEPARTMENT AS SEVENTEEN HUNDRED
FORTYTWO SMN REPEATED TO PARIS AS HUNDRED THIRTYONE
KENNAN

DR/... 123P

12"

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

PEN-1973

PLAIN

Moscow

Dated May 22, 1945

Rec'd 8:09 p.m.

Secretary of State,
Washington.

DEPARTMENT OF STATE

MAY 23 1945

DCL
LIAISON OFFICE

1688, Twenty-second

Press for May 20th published brief items reporting
Herriot's arrival in France and election as Mayor of
Lyons.

PRAVDA for May 21st reported that strike of French
coal miners had ended after Government had promised to
consider miners demand but that their conditions remained
very bad. For three weeks they had received no rent and
there was shortage of clothing and lack of soap. Item
also stated that strikes were taking place in Paris and
Marseilles where workers demanded revision of wages.

Sent to Department as 1698, repeated to Paris for
Murphy as 128.

REYNAL

HRC

Czechoslovakia

12"

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION 151RECEIVED
DIVISION OF
CENTRAL SERVICES

IES-1463

1945 JUN 2 AM 9 04

DC/L
LIAISONSecretary of State,
Washington.

1840, Thirty-first

Following Czechoslovak items appeared in press for
May 31.One. Message from President Beneš to Marshal Stalin
date Prague May 16 reading in translation as follows:

"Today for the first time after this war we are
entering free Prague. I hasten to transmit to you Mr.
Marshal the feelings of the people of the Czechoslovak
Republic at a moment of great joy and newly regained
liberty, feelings of deep gratitude to the peoples of the
Soviet Union and its army which has to such an outstanding
degree contributed to our liberation.

Pilled with the sentiment of genuine Slavic friend-
ship for Slavic Russia we never doubted the victory of
the weapons of the Red Army valiant bearer of the
glorious military tradition of the Russian armies.

In the time of most grievous oppression the Czechs
and Slovaks looked with unceasing hopes to your
advancing forces which with unexampled heroism blazed
a trail

15

152

-2- #1840, May 31, from Moscow via Army

a trail from the distant Volga to Berlin and thus brought freedom to us also.

With admiration we observed the devotion and heroism with which the Soviet people bore the burden of this most severe war in all history and with what enthusiasm the whole Soviet Union set to work out everything it required.

Two great events in the history of this war will remain for us closely connected with military events in the Soviet Union.

In 1943 I visited the Soviet Union and we signed a treaty of alliance and created on your territory our new army. The second time we met in March 1945 and together with you we prepared for our final liberation thus again confirming our political line and preparing the future of our Slavic policy.

These events of this war will never be forgotten in Prague.

The Czechoslovak Republic in accordance with the full conviction of its whole people will proceed along the path of genuine friendly cooperation and firm friendship which we have so happily established during the war and I am convinced that this Union in cooperation with all Allied states will confer happiness upon the peoples, will contribute

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-3- #1840, May 31, from Moscow via Army

will contribute to the assurance of desired order and will assure greater freedom."

Stalin's reply reads in translation as follows:

"I thank you Mr. President for the friendly message which you addressed to me in connection with your arrival in the capital of liberated Czechoslovakia Prague. Accept my best wishes to you personally and the fraternal peoples of the Czechoslovak Republic."

Two. Despatch headlined "people of Czechoslovakia support program of their government".

Item datelined Prague May 20 refers to mass meeting in northern Bohemia towns of Mlada Boleslav and Semilá at which demonstrators approved program of Czechoslovak Government. Most of item is devoted to quotation from speech by Deputy Prime Minister Gottwald who paid tribute to Red Army and Stalin. Gottwald is quoted as stating that Czechoslovak people with aid of Red Army achieved victory under banner of popular unity and that under banner they will lay foundations of new genuinely democratic republic. Political parties must not wage petty struggle stated Gottwald but must cooperate closely in all sphere of public life.

Three. Long article in RED STAR by Vaclav Kopeckí Minister of Information of Czechoslovak Republic entitled

154
-c- #1840, May 31, from Moscow via Army

entitled "on path of democratic renewal". Kopecki described last days of fighting to liberate Prague paying tribute to battle feats of Red Army and Czech Partisans. He referred to capture of Hitlerites by Partisans and to apprehending of Frank by Americans in Pilsen. Frank, he stated, must be handed over to the people. He also referred to arrest of Hacha and others whom he characterized as base German lackeys awaiting punishment of peoples trade union, unified cooperative organizations, unified peasant union and unified union of youth. In conclusion he stated that symbol of new historic position of Czechoslovak Republic and its Slavic orientation was fact that throughout Czechoslovakia Soviet banner flew side by side with national banner and portraits of Stalin were displayed alongside those of Benes.

Four. Brief item announcing opening of Czechoslovak national theater on May 28.

MESSAGE UNSIGNED

END

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

GEM-973

PLAIN

Moscow via War

Dated May 25, 1945

Rec'd 12:20 p.m.

Secretary of State,
Washington.

1751, Twentyfifth

Press for May 24th published Mexico City dispatch dated May 19 quoting statements made by Subasic and Masarik to correspondent of newspaper EL NACIONAL regarding relations of their countries with USSR. Both were quoted as emphasizing independence of their governments and as denying that their countries were Soviet or Communist-dominated. Subasic according to quotation stated that Titos' Partisans had been active before Red Army had any strategic plans relating to Yugoslavia and that Botic Government was same government as had been in exile in London. Masarik according to quotation stated that Czechoslovakia's treaty with Soviet regime could not be established in Czechoslovakia. Masarik also reportedly stated that Soviet Union's desire for Polish regime which would correspond to desires of people but would not be center of anti-Soviet propaganda

was more

-2- #1751, Twentyfifth, from Moscow via War.

was more than reasonable.

Today's PRAGUE carried brief paragraph item reporting arrest of former Prime Minister Baron, former leader of Agrarian Party, Kralis-Benda and police officials who actively collaborated with Germans.

Pravda also published Prague item to effect that text books for Russian language are soon to be published for elementary schools.

UNDESIGNED

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DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF ¹⁵⁷
CENTRAL SERVICES
TELEGRAPH SECTION
DIVISION OF
CENTRAL SERVICES

MEMO-179

PLAIN
190 MAY 24 AM 8 52
Moscow via Army
Dated May 23, 1945
LIAISON
Rec'd, 2:03 P.M.Secretary of State,
Washington.

1720, Twenty-third

Press for May 23 published report from Prague dated May 18 describing meeting several days prior to date of despatch at which in presence of all members of Czechoslovak Government tribute was paid to heroes of Red Army and Prague Partisans falling in battle for liberation of Prague. Speeches by Soviet Ambassador Zorin, Minister of Education Needly, representative of Slovak people Srobar, Minister of Defense Sveboda and Partisan leader Markovic are briefly summarized. Despatch also mentions that representative of first Ukrainian front, Major General Boiko, participated and that on same day Prime Minister Florlinger laid wreath on graves of fallen.

MESSAGE UNSIGNED

WPS

PRECISION

TRADE MARK

MICROSTAT

REG. U. S. PAT. OFF.

MICROFILM

ROLL NO.

12"

31-10-71

18

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DEPARTMENT
OF
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CENTRAL SERVICES

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

MCD-1978

PLAIN
190 MAY 23 AM 9 07
Moscow

Dated May 22, 1943.

Rec'd 8:35 p.m.

PWS VIA PREVI

3060 MOSCOW 363 22 2359

PRESS SECSTATE WASHINGTON

1695 TWENTYSECOND PRESS FOR MAY TWENTIETH PUBLISHED ACCOUNT OF
PRESS CONFERENCE GIVEN BY BULGARIAN TRADE UNION DELEGATION IN
MOSCOW MAY NINETEEN PRD CONFERENCE WAS ATTENDED BY SOVIET AND
FOREIGN CORRESPONDENTS ACCORDING TO ACCOUNT CMM AND WAS ARRANGED
BY TRADE UNION NEWSPAPER TRUD PRD SUMMARY FOLLOWS PRD PCH
BULGARIAN DELEGATION WAS HEADED BY GEORGI TSANKOV CMM GENERAL
SECRETARY OF GENERAL WORKERS TRADE UNION OF BULGARIA
CMM AND INCLUDED TEXTILE CMM RAILWAY AND STREETCAR WORKERS AS
WELL AS MINERS CMM ARCHITECTS AND OTHERS PRD DELEGATION HAS MET
SOVIET TRADE UNIONISTS CMM VISITED FACTORIES AND MADE TRIP TO
LENINGRAD PRD PCH TSANKOV POINTED OUT THAT FOR OVER TWENTY YEARS
BULGARIAN WORKERS HAD STRUGGLED AGAINST DEPRIVATION OF RIGHTS
PRD AFTER FORMATION OF FATHERLAND FRONT GOVERNMENT TRADE UNION
MOVEMENT GREW RAPIDLY AND AT PRESENT INCLUDES OVER THREE HUNDRED
AND FIFTY THOUSAND PERSONS CMM WHICH IS MORE THAN ONE THIRD
OF ALL BULGARIAN WORKERS AND EMPLOYEES PRD PCH ANSWERING QUESTION
WHETHER BULGARIAN COURTS WERE NOT TOO SEVERE WITH MEMBERS OF
FORMER GOVERNMENTS TSANKOV STATED THAT PEOPLES COURT WAS SEVERE
BUT JUST PRD HE DESCRIBED CRIMES COMMITTED BY PROMITLER GOVERNMENT

-R-71696, Twenty-second, from Moscow.

PRD PCH REPLYING TO QUESTIONS AS TO CHARACTER OF FATHERLAND FRONT
CMM TSANKOV STATED THAT FATHERLAND FRONT INCLUDED ALL DEMO-
CRATIC ANTIFASCIST FORCES CMM INCLUDING AGRICULTURAL UNION CMM
WORKERS PARTY CMM SOCIAL DEMOCRATS CMM MEMBERS OF ZVENO AND
THAT ITS LOCAL NATIONAL COMMITTEES CONTAINED TRADE UNIONISTS
CMM MEMBERS OF COOPERATIVES CMM WOMEN AND YOUTH REPRESENTATIVES
PRD PCH IN ANSWER TO ANOTHER QUESTION CMM TSANKOV DECLARED THAT
BULGARIA WOULD DO EVERYTHING POSSIBLE AT FORTHCOMING PARIS
INTERNATIONAL TRADE UNION MEETING TO MAKE ITS CONTRIBUTION TO
INTERNATIONAL TRADE UNION MOVEMENT PRD PCH ANSWERING QUESTION
REGARDING NATIONALIZATION OF INDUSTRY TSANKOV STATED THAT WITH
EXCEPTION OF ENTERPRISES WHOSE OWNERS FLED TO GERMANY OR WERE
CONDEMNED TO CONFISCATION OF PROPERTY CMM INDUSTRY REMAINS
IN PRIVATE HANDS PRD PCH IN CONCLUSION CMM TSANKOV DESCRIBED
BULGARIAS ECONOMIC PLIGHT AND NOTED THAT SOVIET UNION HAD
RENDERED GREAT ASSISTANCE TO TEXTILE AND OTHER INDUSTRIES PRD
WE HOPE CMM HE SAID CMM THAT WITH AID OF BULGARIAN PEOPLE
AND ASSISTANCE OF DEMOCRATIC COUNTRIES BULGARIAN ECONOMY
WILL BE QUICKLY RESTORED PRD PCH SENT TO DEPARTMENT AS SIXTEEN
NINETYFIVE SMN REPEATED TO SOFIA AS FORTYONE

KENNAN

RL/832P

PRECISION

TRADE MARK

MICROSTAT

REG. U. S. PAT. OFF.

MICROFILM

ROLL NO.

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216-17

19

DEPARTMENT
OF
STATEINCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICESDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

EU-142

This telegram was
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Moscow via Army

Dated May 23, 1945

Rec'd. 11:45 a.m.

Secretary of State

Washington.

1707, May 23, 10 a.m.

PRAVDA for May 21 published long despatch dated
lined Cluj May 18 reporting Congress of Hungarian
National Union which according to despatch represents
500,000 persons.

Despatch quoted at length from speeches by Prime
Minister Groza and President of Hungarian Union,
Gyrfas. Speeches as quoted hailed Soviet Union as
liberator of both peoples from common enemy, Hitlerism,
which exploited Hungarian-Romanian ill feeling for its
own diabolical ends.

Statements of Gyrfas and Groza looking towards future
"brotherhood" and "union" were quoted.

This meeting and its treatment in press further
develop line laid down in letter of March 9 in which
Stalin stated to Groza that new Roumanian Government
should undertake assurance of rights of nationalities in
Transylvania.

It is worthy of note that Groza in his speech asserted
that

-2-1707, May 23, 10 a.m., from Moscow via Army.

that Anglo-American (to the Department as 1707 repeated
to Bucharest as 70 Budapest as 1) democracy valued peace-
ful consolidation taking place in this part of Europe.

KENNAN

WPS

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20

DEPARTMENT
OF
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TELEGRAPH SECTION

MS-700

195 MAY 31 AM 8 55

PLAIN

Moscow

Dated May 30, 1945

Rec'd 8:56 p.m.

NO/L

Secretary of State,
Washington.

1805, Thirtieth

PRAVDA for May 28 published fifteen inch Bucharest despatch describing activities of Soviet scientists and artists headed by Vice President of Soviet Society for Cultural Relations with Foreign Countries (VOKS), A. V. Karaganov. Soviet group participated in Congress of Rumanian Society for Cultural Relations with USSR. Teitain Soviet geneticist, Parin, Vice Commissar of Health, and Egozin, professor of literature, described achievements of Soviet workers in their respective fields, and their role in struggle against Hitlerism. Soviet artists performed for congress.

Despatch quoted from message in which Congress expressed thanks to VOKS for sending emissaries of culture and art with whose aid Rumania might dispel falsehood by which German facism isolated Rumanian people. It also reports reception arranged by Rumanian Government in honor of Russian visitors and refers to program lectures by Soviet

-2-1805, Thirtieth, from Moscow.

by Soviet scientists and performances by Soviet artists which is to be undertaken at invitation of Rumanian Government.

Sent to Department as 1805; repeated to Bucharest as 74.

HARRIGAN

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PRECISION

TRADE MARK

MICROSTAT

REG. U. S. PAT. OFF.

MICROFILM

ROLL NO.

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TUGOLAVIA

21

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

104
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

EF-1715

PLAIN

Moscow

Dated May 27, 1945

Rec'd 9:45 p.m.

Secretary of State

Washington

1779, May Twenty-seventh

PRAVDA for May 26 devotes quarter of foreign news page to extensive quotations from speech made by Tito in Zagreb on May 21.

Repeated to Belgrade as ten.

HARRIMAN

UTD

DEPARTMENT OF STATE

MAY 28 1945

CC-1
LIAISON OFFICE

DEPARTMENT
OF
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DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

RECEIVED TELEGRAM

DIVISION OF
CENTRAL SERVICES

PLAIN

NCB-1974

196 MAY 23 AM 9 15

Moscow

Dated May 22, 1948.

Rec'd 8:04 p.m.

PWA6 VIA PREVI

3056 MOSCOW 28 22 2350

PRESS SECSTATE WASHINGTON
1689 TWENTYSECOND FOLLOWING ITEMS REGARDING YUGOSLAV HYPHEN ALLIES
RELATIONS IN CONNECTION WITH TRIESTE CMM ISTRIA AND SLOVENIAN
LITTORAL APPEARED PROMINENTLY IN PRAVDA MAY TWENTYFIRST CLN PGM
ONE PRD BELGRADE DESPATCH DATED MAY TWENTIETH HEADED QTE YUGO-
SLAVIAS ANSWER TO ANGLO AMERICAN NOTE ENDQTE PRD DESPATCH SUMMAR-
IZED BELGRADE RADIO BROADCAST OF YUGOSLAV NOTE WHICH IT SAID WAS
COUCHED IN SPIRIT OF ALLIED COOPERATION PRD YUGOSLAV ARMY CMM
ACCORDING TO DESPATCH CMM WAS ASSERTED TO HAVE EQUAL RIGHT WITH
ALLIED ARMIES TO REMAIN IN TERRITORY WHICH IT HAD LIBERATED IN
FIERCE BATTLES AND MOST OF POPULATION OF WHICH WAS YUGOSLAVIAN
PRD DESPATCH STATES THAT AT DEMAND OF ALLIES FIELD MARSHAL ALEX-
ANDER HAD REQUESTED DEMARCATION LINE PRD IT CONCLUDED BY STATING
THAT DEMAND FOR YUGOSLAV ARMY REMAINING IN TRIESTE CMM ISTRIA AND
SLOVENIAN LITTORAL WAS DEMAND OF YUGOSLAV PEOPLE CMM BUT THAT
THIS IN NO WAY PREJUDICED FINAL DISPOSITION OF THESE AREAS BY
PEACE CONFERENCE CMM SINCE YUGOSLAVIA WAS OPPOSED TO UNILATERAL
ANNEXATIONS PRD PGM TWO PRD LONDON DESPATCH DATED MAY NINETEENTH
QUOTING FIELD MARSHAL ALEXANDERS MESSAGE TO ALLIED ARMIED FORCES
ACCORDING TO WHICH MARSHAL TITO WAS APPARENTLY SEEKING TO SECURE
HIS CLAIMS BY FORCE PRD QUOTATION INCLUDED STATEMENT COMPARING
TITOS ACTIONS WITH THOSE OF HITLER CMM MUSSOLINI AND JAPAN PRD
PGH THREE PRD BELGRADE DESPATCH DATED MAY TWENTIETH REPORTING THAT
TITO HAD REPLIED TO ALEXANDERS MESSAGE IN STATEMENT SAYING THAT
SUCH A COMPARISON COULD ONLY BE MADE TO ENEMY BUT NOT TO ALLY
WHICH HAD SUFFERED AND SHED BLOOD ITEM REPORTED THAT TITO HAD
SAID THAT YUGOSLAVIA WAS PREPARED TO COOPERATE WITH ALLIES CMM
BUT ON BASIS WHICH WOULD NOT BE OFFENSIVE TO IT AS ALLY PRD PGM
FOUR PRD BELGRADE ITEM REPORTING THAT DEMOCRATIC ITALIANS OF TRI-
ESTE HAD PUBLISHED MANIFESTO DECLARING THEIR READINESS TO COOPER-
ATE WITH SLOVENIANS CMM AND CONCLUDING WITH SLOGAN QTE LONG LIVE
AUTONOMOUS TRIESTE AND DEMOCRATIC FEDERATED YUGOSLAVIA ENDQTE PRD
PGH SENT TO DEPARTMENT AS SIXTEEN EIGHTYNINE SMN REPEATED TO
BELGRADE AS EIGHT

KENNAN

WF/804P

DEPARTMENT
OF
STATEINCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

JSC-1818

PLAIN

Moscow

Dated May 28, 1945

Rec'd 3:13 p.m.

Secretary of State,

Washington, D.C.

1784, Twenty-eighth.

Following brief Italian items datelined Rome
May 26 appeared in Moscow press for May 27.

One. Report that Togliatti and Scanni had been
arrested in northern Italy because they had despite
prohibition of Allied media speeches and presided at
Popular meeting.

Two. Item reporting Scanni's release.

Three. Report of conference of northern Italian
political parties which reportedly reached agreement
on majority of points for new government program.

May 28 PLMWDA carried brief items reporting that
Togliatti and Scanni were expected to be in Rome on
twenty-seventh and twenty-eighth respectively and
announcing that early in June Florence and Lucan would
be turned over to Italian administration.

Sent to Department as 1784; reported to Rome as
40.

JEP

HARRISON



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OF
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TELEGRAM

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DIVISION OF
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TELEGRAPH SECTION

SDNY-319

1945 MAY 24 AM 8 54

DC/L
LIAISON

PLAIN

Moscow

Undated

Rec'd May 23, 1945
7:12 p.m.

Secretary of State

Washington

1718.

Press for May 23 published Belgrade despatch citing Belgrade radio report that 30,000 Croats and Italians of Istria had held big meeting celebrating liberation of Istria. Demonstrators greeted Tito. Istrian Partisan brigade of Horta participated. Concluding sentence of despatch reads: "It must be pointed out that Italian reactionaries who attempt to interfere with our agreement and joy, thereby act not only as enemies of Croats of Istria, but also as enemies of freedom-loving Italian minority".

To DEPT as 1718, repeated to Belgrade as 9.

KENNAN

RB

PRECISION

TRADE MARK

MICROSTAT

REG. U. S. PAT. OFF.

MICROFILM

ROLL NO.

12"

7-1-60

168
 CABLES FROM AMERICAN EMBASSY

MOSCOW
 (Section Two)

Russian Press Comment
 on
 Foreign Developments

169 ✓
TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 22, 1945

TO Secretary Morgenthau

FROM Mr. Coe

Subject: Cables from the American Embassy in Moscow

The attached cables from the American Embassy in Moscow summarize Russian press comment on developments in foreign countries.

I. Russian Occupation of Germany

A. Contacts between Soviet officials and representatives of the Berlin population have been sponsored on a formal, official basis by the Russian civil affairs administration, as indicated by a Russian press report that a reception held for the Soviet military commandant in Berlin was attended by "representatives of business and industrial circles, workers, scientists, and actors".

B. Some indication of U.S.S.R. views on priority of reparations payments to be made by Germany, may be garnered from the following statement by a prominent Russian economist in a recent article, "Germany ----- must repay freedom loving peoples and first of all peoples of U.S.S.R. for damages which she has caused".

II. Poland

A. Industrial revival is reported in the textile, metallurgical and chemical industries. Fuel supplies to all enterprises have been maintained "without interruption". The intensity of industrial activity is reflected in the adoption of a second shift in many enterprises and by the fact that labor shortages are currently felt in the textile and coal industries. Intensive efforts at land utilization reform have been undertaken, and land division is now regarded as completed with over 6 million acres having been

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 redistributed. Ninety per cent of the arable acreage has been sown and only acres from which mines have not been cleared have been left unsown. While this sowing record is impressive final evaluation of the success of land use reform and agricultural reorganization under the new Polish government cannot be judged until the first crop yields can be estimated.

B. Resettlement of Polish peasants on the left bank of the Oder, the area which is to be incorporated into Polish Silesia has been proceeding at a rapid pace.

III. Japan

At a public lecture on the war in the Pacific, a leading Soviet military commentator made the following statements:

- A. Declared the Japanese press to be friendly to the U.S.S.R. "at present".
- B. Made no mention of Japan's plans for aggression against the U.S.S.R. as he did in an earlier lecture.
- C. Painted an impressive picture of power still available to Japan.
- D. Emphasized the fact that the Allies could not win the war by air power alone.
- E. Did not reply to any political questions concerning China or U.S.S.R.-Japanese relations.

Summary Index of Cables from the American Embassy in Moscow on Russian Press Comment on Developments in Foreign Countries.

Sweden

25. Russian press attack on Swedish newspapers.
26. Russian press comment on Swedish-German relations.
27. Russian press comment on internal Swedish political situation.

Denmark

28. Russian press comment on Danish-Russian relations.

Iran

29. Russian press report on delegation of Iranian Society for Cultural Ties with the U.S.S.R. in Baku.

Latin America

30. Russian press report on Mexican criticism of Padilla's position on Argentina at the San Francisco Conference.
31. Russian press reports of Latin-American support for severance of relations with Spain.

United States

32. Russian press report on article by Mrs. Roosevelt criticizing anti-Russian sentiment in the U.S.
33. Russian press report of statement by Representative Coffee warning against U.S.-U.S.S.R. friction.
34. Russian press comment on the Davies - Hopkins Mission to the U.K. and U.S.S.R.
35. Russian press report on President Truman's statement on Lend Lease to the U.S.S.R.
36. Russian press report on the President's Quarterly Lend Lease Report.

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United Kingdom

37. Russian press comment on the anniversary of Anglo-Soviet alliance.

Near East

38. Russian press announcement of departure of the Patriarch of Moscow together with a church delegation to visit the countries of the Near East.

Japan

39. Cable report on a public lecture by a leading Soviet military commentator on "The war in the Pacific Ocean."
40. Russian press announcements on arrests of war criminals in several European countries.
41. Editorial in the War and the Working Class on the Anglo-Soviet-American coalition.
42. Russian press comment on Allied relations with regard to Germany, Poland and Yugoslavia.

DEPARTMENT
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TELEGRAPH SECTION

1945 MAY 24 AM 8 47

DCG-109

DC/L
11/11/45

PLAIN

Moscow

Dated May 23, 1945

Rec'd 9:38 a.m.

Secretary of State,
Washington.

1704, Twenty-Third.

RED STAR for May 22 published 8 inch critical item entitled "successors to Goebbels in Swedish newspapers." Item attacked newspaper APTONTIDNINGEN for publishing report that Swedish Mission in Budapest had been plundered by Russian troops. It suggested that APTONTIDNINGEN was planning to take over Goebbels ruined enterprise and carry it on in Sweden and ridiculed alleged statement in APTONTIDNINGEN that Swedish demarche was expected in Moscow.

Sent Department as 1704, repeated to Stockholm as 23.

KENMAN

WPS

DEPARTMENT
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TELEGRAPH SECTION

DIVISION OF
CENTRAL SERVICES

Dated May 30, 1948

130 MAY 31 AM 8 54⁰⁰ 7:28 p.m.

PW16 VIA PREWI

3111 MOSCOW 869 30 2050

PRESS SECSTATE WASHINGTON

1904 THIRTIETH FOLLOWING SWEDISH MATERIAL APPEARED IN PRESS FOR
MAY TWENTYSEVENTH AND MAY TWENTYEIGHTH PRD PCH ONE PRD SECTION
IN PRAVDA INTERNATIONAL REVIEW FOR MAY TWENTYSEVENTH PRD SUMMARY
FOLLOWS CLN PCH COMMUNIQUE OF SWEDISH FOREIGN OFFICE DATED MAY
EIGHTH ANNOUNCING BREAKING OF DIPLOMATIC RELATIONS BETWEEN SWEDEN
AND GERMANY INCLUDED STATEMENT THAT SOME MEMBERS OF GERMAN MISSION
CHN CONSULATES AND PUBLIC INSTITUTIONS WOULD BE INTERRED CHN
WHILE OTHERS WOULD BE INSUTRICTED TO GATHER IN APPOINTED PLACE
PRD ALTHOUGH CONSIDERABLE TIME HAS ELAPSED HITLERITES STILL
FEEL THEMSELVES AT HOME IN SWEDEN WHERE CHIEF HITLERITES SUCH
AS MINISTER THOMSEN HAVE NOT BEEN INTERRED PRD THOMSEN CONTINUES
TO DISSEMINATE FASCIST PROPAGANDA IN SWEDISH PRESS PRD HE GAVE
INTERVIEW FOR VECKE JURNALEN CONTAINING FOUL INSINUATIONS
AGAINST SOVIET UNION PRD PCH ONLYTHOSE HITLERITES HAVE BEEN
INTERRED IN SWEDEN WHO HAVE BEENMOST COMPROMISED BUT EVEN THEY
REFUSED TO ACCEPT COMMON REGIME IN CAMPS AND SWEDISH AUTHORITIES
CONSENTED TO THIS PRD GERMAN FASCISTSCHOOL CONTINUES TO FUNCTION
IN STOCKHOLM PRD ACCORDING TO NEWSPAPER EKSP RESSEN GROUP OF
GERMAN OFFICERS WHO RECENTLY ARRIVED IN SWEDEN WERE TREATED AS
CHERISHED GUESTS WHILE SOVIET OFFICERS COMING FROM NORWAY FEW
DAYS LATER WERE PLACED UNDER GUARD PRD PCH SWEDISH AUTHORITIES
ACT AS IF NOTHING HAD HAPPENED IN EUROPE PRD HITLERITES HAVE MANY
VERY INFLUENTIAL DEFENDERS IN GOVERNMENT APPARATUS PRD PCH TWO
PRD STOCKHOLM DESPATCH PUBLISHED IN PRAVDA FOR MAY TWENTYEIGHTH
QUOTING EDITORIAL IN NEWSPAPER EKSPRESSEN DESCRIDING EXCELLENT
CONDITIONS REPORTEDLY PROVIDED BY SWEDISH GOVERNMENT TO SEVENTY
MEMBERS OF FORMER GERMAN MISSION IN STOCKHOLM AND POINTING OUT
THAT THIS PICTURE MUST BE MOST UNPLEASANT FOR SURROUNDING
PEOPLES WHO HAVE BEEN PLUNDERED BY NAZIS PRD QUOTATION CONCLUDES
BY STATING THAT APPARENTLY INTERNATIONAL DIPLOMATIC MUTUAL
AID IS VERY MUCH ALIVE PRD PCH THREE PRD QUARTER PAGE ARTICLE IN
MAY TWENTIETHEIGHTH PRAVDA BY K DEMIDOV ENTITLED QTE HITLERITE
SURVIVALS IN SWEDISHPRESS ENDQTE PRD SUMMARY FOLLOWS
COLON PCH FASCIST POLITICAL CORRUPTION HAS LEFT DEEP IMPRESSION
ON CERTAINCOUNTRIES INCLUDING SWEDEN WHICH SYSTEMATICALLY
VIOLATES ITS NEUTRALITY TO ADVANTAGE OF GERMANY PRD LEADING CIRCL
OF SWEDEN NOW TRY TO ASSURE WORLD THAT SWEDEN DID NOT SUPPORT
HITLERITE GERMANY ON OWN INITIATIVE AND THAT THIS WAS NOT HER
QUILT BUT HER MISFORTUNE PRD OF COURSE SWEDEN SUFFERED BY
LINKING HERSELF WITH GERMANY PRD ENRICHMENT OF HANDFUL OF

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-2-1804, thirtieth, from Moscow.

SPECULATORS WHO NOW WISH TO HANG ON TO THEIR WEALTH ACQUIRED AT EXPENSE OF EUROPE BROUGHT NO PROFIT TO SWEDISH PEOPLE PRD PGM MOST STUPID SWEDISH REACTIONARIES NOW UNDERSTAND THIS BUT IT IS A LIE THAT THEY HELPED HITLERITE BANDITS AGAINST THEIR OWN WILL PRD THIS IS CLEARER THAN EVER NOW WHEN SUBSTANTIAL PART OF SWEDISH PRESS CONTINUES UNSEEMLY PROFASCIST DANCE NOT LONG AGO SWEDISHMAGAZINE OBS PRINTED MOST VILE ARTICLE WITH AIM OF DEFAMING EVERYTHING DEAR AND SACRED TO SOVIET PEOPLE PRD SWEDISH JOURNAL WISHED TO SERVE ITS PROTECTORS CMMS THOSE CIRCLES WHICH DURING AND AFTER WAR REGARDED IT AS THEIR TASK TO SOW DISCORD AMONG ALLIES AND SET SWEDISHPEOPLE AGAINST SOVIET UNION PRD FASCIST JOURNALISTS ARE CONTINUING TO CARRY ON WAR AGAINST SOVIET UNION AND SWEDISH RULING CIRCLES CONTINUE TO MAINTAIN IN THIS RESPECT SAME QTE NEUTRALITY ENDQTE AS THEY PRACTICED DURING WAR PRD PGM NEWSPAPER WESTMANLANDS TIDNING ENDQTE PUBLISHED SLANDEROUS ARTICLE ON RED ARMY PRD GREAT NEWSPAPER AFTONTIDNING FABRICATED CHARGE THAT RED ARMY PLUNDERED SWEDISHMISSION IN BUDAPEST PRD PGM NEWSPAPERS MORCONTIDNINGEN AND EKSPRESSEN HAVE REFERRED TO ENEMIES OF SOVIET UNION HIDING IN PRESS AND TO STUPID ARTICLES OF OBS CMN BUT IT IS NOT QUESTION OF STUPIDITY OF FASCIST MAGAZINE

BUT OF ITS INTENTION TO CONTINUE AFTER THE WAR POLICY WHICH DURING WAR BROUGHT NEITHER BENEFIT NOR HONOR TO SWEDISH PEOPLE PRD IT IS ALSO NOT TRUE THAT ENEMIES OF SOVIET UNION ARE YET HIDDEN ENDQTE PRD THEY ACT OPENLY ENJOYING PROTECTION AND ENCOURAGEMENT PRD THIS PART OF PRESS IS DIRECTED BY HAND WHICH ACTED DURING WAR IN UNISON WITH HITLERITE GERMANY PRD THAT PART OF SWEDISH PRESS WHICH UNDERSTANDS HARM DONE TO SWEDISH PEOPLE BY BLIND HATRED OF SOVIET UNION ACTS VERY IRRESOLUTELY PRD ITS VOICE OF REASON AND HONOR IS DROWNED BY ANTISOVIET ABUSE PRD PGM CAMPAIGN AGAINST SOVIET UNION IS CARRIED ON UNDER GUISE OF QTE EFREEDOM OF PRESS ENDQTE PRD BUT HOW CAN PEOPLE WHO HELPED HITLER STIEFE PRESS IN OCCUPIED EUROPE TALK OF FREEDOM OF PRESS QUERY PGM SWEDEN WAS UNDER INFLUENCEOF GERMAN FASCISM TOO LONG PRD IT IS TIME TO UNDERSTAND THAT RED ARMY HAS DECISIVELY DEFEATED GERMANS CMN THAT SOVIET UNIONS GREAT DEMOCRATIC POWER AND THAT RED ARMY AND ALLIES HAVE ESTABLISHED CONDITIONS FOR PEACEFUL COEXISTENCE OF PEOPLES OFEUROPE PRD CERTAIN SWEDISH JOURNALISTS HAVE LOST THEIR CAPACITY TO DISTINGUISH BETWEEN REALITY AND POLITICAL DELIRIUM PRD PGM SWEDEN HAS TEMPORARILY EXCLUDED HERSELF FROM FREEDOMLOVING NATIONS BY HER POLICY DURING WAR BUT SWEDISH PEOPLE WISH TO ESTABLISH FRIENDLY RELATIONS WITH SOVIET UNION PRD PORTION OF SWEDISHPRESS WHICH CRITICIZES POLICY OF SWEDEN DURING WAR IS DOING WORK VALUABLE TO ITS PEOPLE PRD EFFORTS OF WIDOWED FASCISTS IN SWEDEN TO CONTINUE TO HONOR DISCORD ARE BOTH DISHONORABLE AND SENSELESS PRD IT IS TIME TO PUT AN END TO SUCH EFFORTS PRD PGM SENT TO DEPARTMENT AS 1804 SIN REPEATED TO STOCKHOLM AS 24

HARRINAN
(MAY 30, 1945) NR /706P

DEPARTMENT
OF
STATE

WDB-1348

INCOMING
TELEGRAM

PLAIN

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

Stockholm via London

Dated May 25, 1945

Rec'd 12:25 p.m., 1945

PW 6 VIA PREVI

PW 26 LONDON 1315/1311 26 1430

PRESS SECSTATE WASHINGTON
STOCKHOLMS 1902 TWENTYFIFTH SWEDISH POLITICS TEMPLE OF SWEDISH
COALITION GOVERNMENT WILL BE DISCUSSED BY RIKSDAG PARTY GROUPS
AT BEGINNING OF JUNE AND ON BASIS THESE DISCUSSIONS PARTY LEADERS
WILL TAKE UP MATTER WITH PRIME MINISTER STOP LIBERAL PRESS
PAPER SVENSKA MORGBLADET WRITES AS SOCIALDEMOCRATIC PRESS HAS
ALREADY INDICATED CONTINUED COALITION WOULD BE INCONCEIVABLE NAT-
URALLY BOURGEOIS PARTIES MUST LOSE INTEREST IN FURTHER DISCUSSION
OF MATTER ESPECIALLY AS SOCIALDEMOCRATIC PRESS SUGGESTS PRERE-
QUISITE FOR COALITION IS UNCONDITIONAL
ACCEPTANCE OF LABOR MOVEMENTS POSTWAR PROGRAM STOP HOWEVER IF
SOCIALDEMOCRATS WANT ASSUME RESPONSIBILITY FOR SWEDENS POSTWAR
POLICY THEY MUST BE PREPARED PRECIPITATE COUNTRY INTO BITTER
ECONOMIC FIGHT WHICH OUGHTVE BEEN POSTPONED UNTIL PERIOD LESS
PERILOUS THAN PRESENT ONE PARAGRAPH EXPRESSES DISCUSSING FUTURE
PROSPECTS OF SWEDISH COMMUNISTS NOTES THEIR INVITATIONS TO SOC-
IALDEMOCRATS TO FORM LEFTIST GOVERNMENT SETUP MAYBE SOLVED ITS
ADDS NO MATTER HOW SWEDISH GOVERNMENT SETUP MAYBE SOLVED ITS
CERTAIN THAT COMMUNISTS WONT BE INCLUDED IN NEW CABINET STOP
THERE NUMBER SIGNS INDICATING COMMUNISTS HAVE REACHED PEAK THEIR
INFLUENCE AND NOW ON DOWNGRADE STOP THEYLL LOSE THEIR EXCELLENT
POSITION AS ONLY OPPOSITION PARTY AND SIMULTANEOUSLY GOVERNMENTS
POLICY WILL BECOME LESS AMBIGUOUS THAN DURING COALITION ERA STOP
SOCIALDEMOCRATIC POLICY WILL BE RADICALIZED AND COMMUNISTS WILL
HAVE HARD TIME ERECTING PLATFORM FOR PROPAGANDA OF DISCONTENT
INsofar AS SOCIAL WELFARE POLICY BECOMES PROGRESSIVER AGAIN STOP
EFFECT OF FOREIGN POLITICAL EVENTS ON INTERNAL POLITICS BEEN
STRIKING AS REGARDS SWEDISH COMMUNISTS STOP RUSSIAN ATTITUDE TO-
WARD FINLAND AND BALTICUM REDUCED COMMUNIST VOTES TO MINIMUM IN
1940 STOP HOWEVER ITS UNDENIABLE THAT RUSSIAS IMPORTANT SHARE
IN DEFEATING NAZI TERRORISM IN EUROPE HAD SUBSTANTIAL INFLUENCE
ON COMMUNIST GAINS IN 1944 ELECTIONS STOP WITH END OF THAT STRU-
GLE OTHER ASPECTS OF RUSSIAN POLICY ATTRACTING ATTENTION AND
SWEDISH PUBLIC OPINION SHOWING MARKED UNCERTAINTY REGARDING USSR
AIMS STOP IF ALLOWED TO CONTINUE THIS SITUATION WOULD AFFECT
SWEDISH COMMUNIST PARTYS POSITION AND INFLUENCE STOP PROTRACTED
METALWORKERS STRIKE HAS ALREADY CAUSED MANY WORKERS CHANGE THEIR
OPINION ABOUT COMMUNIST AGITATION STOP RECOLLECTION THIS DE-
VASTATING CONFLICT WHICH EXHAUSTING LABOR UNIONS FUNDS AND WHICH
MUST NONETHELESS INEVITABLY RESULT IN COMPROMISE SETTLEMENT WILL

LINDER

-2-#1902, Twenty-fifth, from Stockholm via London.

LINGER IN WORKERS MINDS AND AFFECT THEIR FAITH IN COMMUNISTS STOP
THUS SETBACK FOR SWEDISH COMMUNISTS IS FAR MORE LIKELY THAN CON-
TINUED ADVANCE PARAGRAPH MORGONTIDNINGEN REFERRING KRASNAYA
ZVESDAS ATTACK ON AFTONTIDNINGEN FOR LATTERS PUBLICATION OF
STORY ABOUT PLUNDERING OF SWEDISH BUDAPEST LEGATION SEE OUR
1871 WRITES SUCH ATTACKS DONT ADD TO REPUTATION RUSSIAN PRESS
STOP AFTONTIDNINGENS INFORMATION BASED ON SOLID GROUND
STOP SWEDISH PROTEST AGAINST OUTRAGE BEEN DELAYED LONG ENOUGH
AND EVIDENCE OUGHT BE SUBMITTED MOSCOW SOONEST POSSIBLE STOP
ITS DIFFICULT BELIEVE OFFICIAL RUSSIAN ATTITUDE WILL BE AS ARRO-
GANT AS KRASNAYA ZVESDAS STOP DAGENS WRITES DELAY IN PUBLISHING
SWEDISH DOCUMENTARY EVIDENCE BEEN MOST UNFORTUNATE AND FOREIGN
OFFICE PLACED ITSELF IN STRANGE NONCOMMITTAL POSITION PRIVATE
NEWSPAPERS BEING MADE RESPONSIBLE FOR MATTERS FOR WHICH FOUGHT
ASSUME RESPONSIBILITY PARAGRAPH IN SPEECH AT KARLSKRONA FINANCE
MINISTER WIGFORSS NOTING THAT LIBERAL PRESS ASSUMING THAT AS
RESULT OF SWEDISH DEMOBILIZATION NOW ONGOING EXTRA WARTIME DE-
FENSE TAX WOULD BE ABOLISHED STARTED ON CONTRARY TWOULD SEEM
AS IF DEFENSE TAX MUST BE RETAINED TO COVER INCREASING NORMAL
DEFENSE EXPENDITURES AND ALSO TO ENABLE MAINTENANCE OF PRESENT
STANDARD OF SOCIAL WELFARE PROVISIONS STOP REMEMBERABLE
ALSO EVEN STATE EMPLOYEES JUSTIFIED IN DEMANDING RESTORATION
OF REAL INCOME TO LEASTLY 1939 LEVEL STOP WIGFORSS STATEMENT
RAISED STORM OF PROTEST IN ENTIRE BOURGEOIS PRESS WHICH ASSERTS
FINANCE MINISTER OVERSTEPPING AUTHORITY IN SEEKING EMPLOY TAX
FOR PURPOSES OTHER THAN THOSE FOR WHICH TWAS EARMARKED BY RIKSDAG
PARAGRAPH AT RESUMPTION HEARING IN BROMMA ESPIONAGE CASE SEE OUR
1230 GERMAN CITIZEN SCHAEFER TOLD COURT HE ONLY FURNISHED SUCH
INFORMATION AS GERMANS ALREADY POSSESSED OUTPOINTING ALL AIRCRAFT
FLYING BRITAIN STOCKHOLM ROUTE WERE CHECKED AND REGISTERED NORWAY
STOP ALSO CLAIMED HE FREQUENTLY DISCUSSED WITH AEROTRANSPORTS
MANAGEMENT POSSIBILITIES ARRANGING SAFE AIR SERVICE BETWEEN
STOCKHOLM SCOTLAND ADDING THAT SWEDISH AUTHORITIES HADNT ADVISED
HIM KEEP SECRET WHAT HE KNEW STOP SWEDISH HARALD SWALLING SEE OUR
1788 WAS ALSO HEARD STOP WHEN PROSECUTOR SHOWED HIM TELEGRAM FROM

GERMAN LEGATION TO BERLIN LISTING GOODS SENT BRITAINWARD AND AMER-
ICA THROUGH AEROTRANSPORT DURING PERIOD DECEMBER 1944 TO MARCH
1945 SWALLING ADMITTED THESE DATA MIGHTVE BEEN FURNISHED BY HIM
PARAGRAPH SYNDICALIST ARBETAREN REPORTS DIRECTORS LJUNGQVIST OF
SIEMENS COMMA HOEFING OF AEG AND GOTTHARD WUENSCHKE OF BAEDEN-
BERG COMPANY GAVE LARGE SUMS NAZI DMSPOSTEN IN AUTUMN 1942 STOP
SAME YEAR WUENSCHKE WENT GERMANY AS VOLUNTEER STOP ARBETAREN EX-
PRESSES SURPRISE THAT THIS FANATICAL NAZI IS ON ALLIED BLACKLIST

WILE

178
-3-1900, Twenty-fifth, from Stockholm via London.

WHILE HIS FIRM IS NOT PARA ARBETAREN WRITES SWEDS WONDERING WHY LEADERS OF DEUTSCHE ARBEITSFRONT AND GERMAN WOMENS ORGANIZATION IN SWEDEN WERENT INTERNED AT SAMETIME AS LEGATION STAFF STOP ARBETAREN ASKS WHETHER SWEDEN WILL BECOME PLACE FOR NAZISMS HIBERNATION PARA HANDELSTIDNING DEPLORES AS UNFOUNDED AND OMINOUS SOVIET DEMARCHE AGAINST OBS ARTICLE ON STALIN SEE OUR 1830 BUT HANDELSTIDNING LIKEWISE EXPRESSES DISSATISFACTION WITH SWEDISH REPLY SEE OUR 1846 STOP GUNTHER REJECTED SOVIET CONFISCATION DEMAND BUT TRANSMITTED DECLARATION BY OBS EDITION CONCERNING PERIODICALS FUTURE POLICY STOP HANDELSTIDNING WRITES SWEDISH PRESS FREEDOM LLAW DETERMINES THAT SWEDISH PAPERS MAY WRITE COMMA NOT ANY FOREIGN GOVERNMENT STOP SWEDISH COALITION CABINET MUST NOW REGRET IT EVER ALLOWED FOREIGN INFLUENCE BE BROUGHT TO BEAR ON SWEDISH PRESS STOP VAESTERNORRLANDS ALLEHANDA STATES ITS REPORTED GUNTHER SUMMONED OBS EDITOR FREDBERG AND VIATUALLY FORCED HIM MAKE DECLARATION FOR ATTACHMENT TO REPLY TO MOSCOW STOP FOREIGN MINISTERS LACK OF DIGNITY JUST AS GLARING WHETHER ITS GERMAN OR SOVIET MINISTER WHO TRIES INTIMIDATE HIM PARAGRAPH HANDELSTIDNING REFERRING ANNOUNCEMENT SWEDEN WILL SEND DELEGATION TO WARSAW TO NEGOTIATE COAL PURCHASES SEE OUR 1889 WRITES ANNOUNCEMENT IS SURPRISING SINCE ITS UNDERSTOOD POLISH GOVERNMENT LONDON ASSUMED CRITICAL ATTITUDE TOWARD PREVIOUS SWEDISH DISCUSSIONS OF MATTER STOP SWEDISH BUSINESSMAN NAMED KINDGREN WHO VISITED MOSCOW FEW MONTHS AGO CONDUCTED NEGOTIATIONS THERE CONCERNING SWEDISH POLISH TRADE STOP SINCE THEN SWEDENS SOUGHT DIRECTED CONTACT WITH LUBLIN GOVERNMENT STOP SWEDISH GOVERNMENT ATTITUDE IS THAT ITS UNRECOGNISED EITHER LONDON OR LUBLIN GOVERNMENTS AND THEREFORE FREE NEGOTIATE WITH EITHER PARTY STOP VIEW REPORTEDLY NOT SHARED BY BRITISH AND AMERICAN GOVERNMENTS WHICH APPARENTLY SUPPORT LONDON POLES STOP SPOKESMAN OF LUBLIN GOVERNMENT HOWEVER DONT CONCEAL OPINION THAT SWEDEN MIGHT SOON RECEIVE POLISH COAL PROVIDED HOWEVER SWEDEN RECOGNIZES LUBLIN GOVERNMENT STOP ITS ALLEGED LONDON POLES HAVE PROTESTED AGAINST SWEDISH COAL NEGOTIATIONS BUT NEITHER SWEDISH FO NOR POLISH LEGATION STOCKHOLM HAVE ANY WORD OF THIS STOP FOREIGN OFFICE INFORMED HANDELSTIDNING IT HOPED BRITAIN USA WOULD UNDERSTAND SWEDENS DISTRESSED POSITION WHICH COMPELS COUNTRY SOMEHOW ATTEMPT TO SECURE COAL AS SWEDENS INDUSTRY TRADE WOULD OTHERWISE LABOR UNDER GREAT DIFFICULTIES DURING COMING WINTER AND SWEDENS POSSIBILITIES FOR EXPORTING PRODUCTS ESSENTIAL TO WORLD TRADE WOULD BE REDUCED PARAGRAPH GORDMEN MICHLER OF STANDARD OIL NOW VISITING SWEDEN TELLS MOTORIST JOURNAL MOTOR THAT ALTHOUGH SWEDEN CANNOT COUNT ON PEACETIME QUOTA OF LIQUID FUEL BEFORE JAPANESE DEFEATED POSSIBILITY ALREADY EXISTS FOR SWEDENS OBTAINING REASONABLE MINIMUM STOP MICHLER STATES THERES CONSIDERABLE UNDERSTANDING IN WASHINGTON LONDON OF SWEDENS REQUIREMENTS FUEL AND LUBRICANTS AND ALLIED GOVERNMENTS APPARENTLY TRYING DRAFT PROGRAM WHEREBY OIL

INTERESTS

179
-4-1900, Twenty-fifth, from Stockholm via London.

INTERESTS IN VARIOUS COUNTRIES INVITED GIVE DATA REGARDING MINIMUM QUANTITIES LIQUID FUEL LUBRICANTS WHICH CONSIDERED INDISPENSABLE AND ON BASIS THIS INFORMATION QUOTAS WOULD BE DETERMINED PARAGRAPH SWEDISH SHIPS BALAKLAVA LILLOENUS AND OCEANUS EXPECTED LEAVE GOETEBORG TOMORROW FOR BUENOSAIRES TO LOAD GRAIN FOR NORWAY STOP SVEADROTT SCHEDULED ARRIVE GOETEBORG MAY 30 FROM NEWORLEANS WITH OIL GENERAL CARGO AND SOME RUBBER STOP REDCROSS SHIPS MACDALENA AND LILLIE MATTHIESSEN LEFT GOETEBORG YESTERDAY WITH GIFT PARCEL CARGO FOR FORMER ALLIED WAR PRISONERS IN GERMANY PARAGRAPH NORWEGIAN SHIP DICTO LEFT GOETEBORG WEDNESDAY FOR ENGLAND CARRYING 3500 TONS BALLBEARINGS SPECIAL STEEL ETCETERA VALUED TWENTY MILLION KRONOR FOR BRITISH WAR INDUSTRY AND IS REPORTEDLY VALUABLEST CARGO EVER EXPORTED FROM SWEDEN IN SINGLE SHIP STOP THIS IS PRACTICALLY SAME CARGO WHICH DICTO CARRIED WHEN IT TRIED VAINLY TO RUN SKAGERAK BLOCKADE IN APRIL 1942 BUT HAD TO RETURN GOETEBORG PARAGRAPH ALIEN NAMED HENRY BRUNNBO DOMWA WHO CLAIMS HES AMERICAN CITIZEN BUT WHOM POLICE BELIEVE TO BE POLE BEEN ARRESTED ON ESPIONAGE CHARGE

46/1225P

NOTES

PRECISION

TRADE MARK

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REG. U. S. PAT. OFF.

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28

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

1945 MAY 23 PM 4 32

DOO-108

PLAIN

Moscow

Dated May 23, 1945

Rec'd 9:41 a.m.

Secretary of State,
Washington.

1703, Twenty-Third.

PRAVDA for May 21 published despatch datelined Copenhagen May 19 reporting arrival of Christmas Møller and other Danish Cabinet officers on BORNHOLM. Text of Møller's speech referring to sympathy of Danish people for Russia and expressing hope that good relations which had always existed between Russia and Denmark would persist was quoted.

Today's papers publish this announcement that new Danish Government has requested exchange of ministers and asked for Soviet agreement to appointment of Deessing as Danish Minister. Soviet Government on May 16 informed Danes that it viewed proposal as "condemnation by new Danish Government of act of severance of diplomatic relations of Denmark with USSR, taken by former Danish Government on day of attack of Hitlerite Germany on Soviet Union" and that it acceded to request of Danish Government.

Sent to

-2-1703, Twenty-Third, from Moscow.

Sent to Department as 1703, repeated to Copenhagen unnumbered and Stockholm as 22.

KENNAN

WFS

DEPARTMENT
OF
STATE

RT-1716

INCOMING
TELEGRAM

PLAIN

Moscow

Dated May 27, 1946

Rec'd 1 p.m.

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

DEPARTMENT OF STATE

MAY 28 1946

DC-1

LIAISON OFFICE

DMS VIA PRIME 3004 MOSCOW 32121 0107

PLASS SECSTATE WASHINGTON
 1716 TWENTYSEVENTH PRAVDA FOR MAY 26 CARRIES HALF COLUMN TASS
 DESPATCH FROM BAKU ENTITLED QUOTE DELEGATION OF IRANIAN SOCIETY
 FOR CULTURAL TIES WITH USSR IN BAKU UNQUOTE PERIOD DESPATCH RE-
 PORTS THAT IN CONNECTION WITH CELEBRATION OF TWENTYFIFTH ANNI-
 VERSARY OF ESTABLISHMENT OF SOVIET REGIME IN AZERBAIDZHAN COMMA
 DELEGATION OF IRANIAN SOCIETY FOR CULTURAL TIES WITH USSR AND
 REPRESENTATIVES OF INTELLIGENTZIA OF QUOTE SOUTHERN AZERBAID-
 ZHAN UNQUOTE CAME TO BAKU PERIOD NAMES OF MEMBERS OF DELEGATION
 COMMA HEADED BY GENERAL SECRETARY IF IRANIAN SOCIETY ACADEMICIAN
 NAFISI COMMA ARE GIVEN PERIOD DELEGATION WAS ACCOMPANIED BY
 COUNSELOR OF SOVIET EMBASSY IN TEHERAN AND SOVIET CONSUL GENERAL
 IN TABRIZ PERIOD PRINCIPAL MEMBERS OF DELEGATION MADE SPEECHES
 ON BEHALF OF DELEGATION AT JUBILEE SESSION OF SUPREME SOVIET OF
 AZERBAIDZHAN PERIOD ACADEMICIAN NAFISI STATED IN HIS SPEECH
 THAT QUOTE OUR CULTURE COMMA LITERATURE ART AND MUSIC OUR CUSTOMS
 AND TRADITIONS IRREFUTABLY PROVE INDISSOLUBLE BOND BETWEEN
 IRANIAN AND AZERBAIDZHAN PEOPLES PERIOD CULTURAL AND ECONOMIC
 TIES HAVE ALWAYS EXISTED BETWEEN IRAN AND AZERBAIDZHAN COMMA
 AND NO FORCES CAN TEAR APART THESE UNBREAKABLE BONDS OF FRIEND-
 SHIP UNITING OUR PEOPLES UNQUOTE PARAGRAPH IRANIAN DELEGATION
 SPENT THIRTEEN DAYS IN AZERBAIDZHAN COMMA DURING WHICH TIME THEY
 ATTENDED OFFICIAL RECEPTION HELD BY GOVERNMENT OF AZERBAIDZHAN
 COMMA VISITED OIL FIELDS COMMA ACADEMY OF SCIENCES COMMA UNI-
 VERSITY COMMA CONSERVATORY COMMA THEATRES AND WORKERS SETTLE-
 MENTS PERIOD GUESTS ALSO VISITED CITY OF KORGABAD DASH BIRTH-
 PLACE OF GREAT NIZAMI PERIOD DELEGATION DISPLAYED GREAT INTEREST IN OR-
 GANIZATION OF LABOR ON QUOTE THE OCTOBER UNQUOTE COLLECTIVE FARM
 ELDERS OF DELEGATION WERE RECEIVED BY SHEIKH DASH UL DASH ISLAM
 ALI DASH ZADE COMMA WHO TOLD THEM IN DETAIL ABOUT POSITION OF
 MOHAMMEDAN RELIGION IN AZERBAIDZHAN COMMA ABOUT ASSISTANCE TO
 RED ARMY FROM CLERGY AND BELIEVERS PERIOD DELEGATION WARMLY
 THANKED PEOPLE OF AZERBAIDZHAN FOR WARM JOYFUL RECEPTION AND
 EXPRESSED ITS ADMIRATION FOR SUCCESSSES ACHIEVED BY AZERBAID-
 ZHAN PEOPLE IN REALMS OF INDUSTRY COMMA AGRICULTURE AND CULTURE
 PARAGRAPH REPEATED TO TEHERAN AS 85

HARRIMAN

RL/553P

MAY 27, 1946)

DEPARTMENT
OF
STATE

INCOMING
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DIVISION OF
CENTRAL SERVICES

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DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

JP-1406

190 JUN 2 AM 9 15

PLAIN

Moscow via Army

Dated May 31, 1946

Rec'd 11:27 a.m., June 1st.

Secretary of State,
Washington.

1841, Thirty-first

Following Spanish and Latin American items appeared
in press for May 30.

One. Brief Paris despatch that Franco Government
has refused Belgian Government request for extradition
of exilt leader Fegrelle.

Two. New York despatch reporting US stroy from Rio
de Janeiro according to which Catholic Bishop of Ate of
Maura Carlos Duarte has given interview in which he
criticized "Fascist tendencies of Roman Catholic Clergy".
Duarte reportedly accused Papal Nuncio in Brazil of
espionage on behalf of Germany and is quoted as stating
that political imperialism seeks to establish its domination
American countries under leadership Vatican and Franco.

Three. Report that progressive circles in Mexico are
sharply criticizing Foreign Minister Padillas support at
San Francisco Conference for inviting Argentina. Despatch
refers

Latin
America

30

184
-2- #1841, Thirty-first, from Moscow via Army.

refers to criticism of Padilla by Lombardo Toledano and to statement by Comitt for defense of Mexican revolution that Padilla is far from representing sentiments of Mexican people.

Four. Despatch consisting mostly of quotation from declaration of group of Argentina and Uruguayan democratic leaders published in DIARIO POPULARO of Montevideo for May 24 criticizing London Polish Government and demanding recognition of Warsaw Government and its invitation to San Francisco.

Five. Report that "independent civic committee of scientists and artists" which item states is organization of outstanding representatives of American intelligentsia has sent demand to American Ambassador in Argentina that he secure release from prison of all anti-Fascists and restoration of constitutional government in Argentina. Item states that message was signed by sculptor Davison, playwright Hellman and others.

Six. Report of reception in Soviet Embassy in Mexico in honor of victory over Germany attended by Mexican political and cultural leaders.

UNSIGNED

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TELEGRAPH SECTION

1945 MAY 31 AM 9 16

EX-575

PLAIN

Moscow via War

Dated May 30, 1945

Rec'd 1:30 p.m.

Secretary of State,
Washington.

1807, Thirtieth.

Following Spanish and Latin American items
appeared in press for May 28 and 29:

Re: dispatch dated May 27 citing newspaper
UNITA to effect that Mussolini's former Ambassador
to Berlin Ambuso had arrived by airplane in Spain.
Item quotes UNITA's demand that Italian Government
return passport to Franco's Ambassador in Rome.

Two. London and New York dispatches dated May
27 reporting that Franco Government has not yet
replied to French note regarding extradition of
Laval and that other Fascist leaders such as Degrelle
had taken refuge in Spain. One of these dispatches
quoted comment on Franco by Washington STLR and by
radio commentators Sergio and Frankingdon.

Three. Dispatch from London dated May 28 quoting
demand of newspaper STLR that Franco regime be out-
lawed. STLR was quoted to effect that Allies could
not remain

-2-#1807, Thirtieth, from Moscow via War

not remain passive as long as Franco continued to
threaten peace in Europe.

Four. New York dispatch dated May 27 citing
HERALD TRIBUNE correspondent in Buenos Aires re-
garding continued arrests of Argentine anti-Fascists.

Five. Mexico City dispatch dated May 28 report-
ing and quoting from resolution of protest of Mexican
confederation of Labor against increasing activity
of Sinarchists.

Six. New York dispatch dated May 28 headed
"movement in Latin America for break with Franco Spain".

Item referred to dispatches from NEW YORK TIMES
correspondents in Elcaragun and Ecuador reporting
that anti-Fascist groups were demanding severance of
diplomatic relations with Franco Government and also
to reported meeting in New York at which Congressman
Celler addressed 40,000 persons with demand for
severance of relations with Spain.

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COPY FOR SECRETARY

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GRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

187

VE-691

PLAIN

Moscow via Army

Dated May 30, 1945

Rec'd 6:51 a.m., 31st

Secretary of State,
Washington.

1832, Thirtieth

Following American items appeared in Moscow press
for May 30th.

One. Despatch reporting publication by American
newspapers of article by Eleanor Roosevelt reportedly
criticizing efforts of certain circles to arouse fear
of Soviet Union. Despatch quotes two paragraphs in
which Mrs Roosevelt states that there are still people
in America who are consciously acting in interests of
Fascists. Moreover, according to quotation, there are
many persons who unconsciously act against general peace.
These people are actuated by fear. They fear Russia
and Britain and circulate all sorts of derogatory
rumors about other peoples without investigating
truth or falsehood of those stories. Quotation con-
cludes with Mrs Roosevelt's opinion that sole assurance
of establishing

DEPARTMENT OF STATE
MAY 31 1945
LCA
LIAISON OFFICE

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-2-#1823, Thirtieth, from Moscow via Army

of establishing peace consists in Americans confidence in themselves.

Two. Almost two columns of summary and quotations of Stettinius' May 28th radio speech. Coverage includes paragraph expressing attitude of United States Government and people toward Argentine and two paragraphs describing contribution made by Molotov to work of Conference. It also reports or quotes Stettinius' expression of satisfaction with work done by Conference and confidence in successful outcome. Remarks regarding various amendments proposed at Conference were given extensive space. Stettinius' statement that Poland should be represented at San Francisco and that position of United States was that Poland could be represented only by government formed in accordance with Yalta Agreement was quoted. In conclusion Stettinius' statement that statutes agreed upon at Conference must be ratified by two-thirds vote of United States Senate and fully approved by American people for organization to be success was reported.

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DIVISION OF
CENTRAL SERVICES

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DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

MS-569

PLAIN
MAY 31 AM 8 53

Moscow via Army

Dated May 30, 1949

Rec'd 1:10 p.m.

Secretary of State,
Washington.

1809, Thirtieth

PRAVDA for May 27 published on page three Washington despatch dated May 25 reporting statement by representative Coffey demanding that Stettinius take measures "to put an end to rumors directed against our Russian Allies" stating that Coffey had warned of attempts of reactionaries to provoke friction between United States and Soviet Union which menaced peace despatch quoted three paragraphs from Coffey's statement. Coffey as quoted warned that powerful forces behind scenes were exerting influence on course of events and urged that no American should believe that any international organization could be successful if Americans became estranged from Russia. Quotation includes statement that it was within power of State Department to prevent dissemination of dangerous programs which might offend Soviet Union and drive it from San Francisco Conference. Quotation concludes by stating that it is essential that Stettinius put end to such rumors.

Despatch adds

190
-2-1809, thirtieth, from Moscow via Army.

Despatch adds that Coffey published article in St. Louis POST DISPATCH for April 24 describing heroic role of Soviet Union in war and long history of Russian American friendship.

MESSAGE UNSIGNED

WFS

DEPARTMENT
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STATEINCOMING
TELEGRAM191
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

JSE-1614

PLAIN

Moscow via War

Dated May 28, 1945

Rec'd 3:07 p.m.

Secretary of State,
Washington.

1703, Twenty-eighth

Moscow newspapers for May 27 publish front
page announcement of reception by Stalin last
night of Mister Hopkins and Ambassador Harriman.

Mr. Davies arrival in London was reported in
news item.

IZVESTIYA special correspondent Zhukov in his
article from San Francisco published today reports
extensive press comment regarding missions of Hopkins
and Davies and widespread belief that President's
choice of these two champions of close cooperation of
great democratic powers will dispel fear that abandon-
ment of Roosevelt's foreign policy is possible.

MESSAGE UNCLASSIFIED

RSP

DEPARTMENT OF STATE
MAY 29 1945
DCA
LIAISON OFFICE

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

192
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

DEH-1672

PLAIN

Moscow via War

Dated May 27, 1945

Rec'd 3 p.m.

Secretary of State

Washington

1776, twentyseventh

DEPARTMENT OF STATE
MAY 28 1945
DC-1
LIAISON OFFICE

Press of twentyfifth devoted about five inches to reporting President's statements to press regarding Lend-Lease to Soviet Union. Despatch states that in answer to question whether Soviet Union is continuing to receive Lend-Lease shipments, President answered in affirmative, referring to protocol. President's statement that continuation of Lend-Lease after June must be considered in accordance with circumstances as would be decided satisfactorily for interests of United States and international peace, was noted.

Item concludes by stating that in answer to question whether United States might make shipments to countries, including Soviet Union, not at war with Japan Truman replied that such shipments are possible if they are in conformity with protocol.

MESSAGE UNSIGNED

RR

DEPARTMENT
-OF-
STATE

INCOMING
TELEGRAM

193
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

RECEIVED
DIVISION OF
CENTRAL SERVICES

105-971

1945 MAY 26 AM 9 14

DC/L
LIAISON

PLAIN

Moscow via War

Dated May 25, 1945

Rec'd. 12:20 p.m.

Secretary of State,
Washington.

1746, Twenty-fifth.

Press for May 24 devoted about fifteen inches to fairly prominent despatch regarding President's quarterly Lend-Lease report. Despatch included quotation pointing out that Allies still face powerful and fanatical Japanese enemy against whom they could now hurl full strength. It gave total value of Lend-Lease shipments, and breakdown by categories, countries and first four years. Statement that in critical year 1944 British Empire received shipments sufficient to equip one-fourth of its armed forces was included.

Regarding Soviet Union, item pointed out that although bulk of Soviet equipment was produced in Soviet factories, Lend-Lease shipments accelerated pace of Red Army offensives. Figures for airplane and motor vehicle shipments to Soviet Union were given, and mention was made of equipment furnished Soviet factories.

Despatch

1944
-2- #1748, Twenty-fifth, from Moscow via War

Despatch concluded with figures on reverse Lend-Lease
and statement that reverse Lend-Lease from Soviet Union
began when shuttle bombing bases were established.

MESSAGE UNSIGNED

RR

DEPARTMENT
OF
STATE

RP-1721

INCOMING
TELEGRAM

PLAIN

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

DEPARTMENT OF STATE

MAY 28 1945

DC-1
LIAISON OFFICE

Moscow

Dated May 27, 1945

Rec'd 11:15 p.m.

PM9 VIA PREWI

3005 MOSCOW 1405/1404 28 0107

PRESS SECSTATE WASHINGTON

1773 TWENTYSEVENTH ON MAYTWENTYSIXTH COMMA ANNIVERSARY OF
SIGNING OF ANGLO AMERICAN ALLIANCE COMMA FOLLOWING BRITISH
MATERIALS APPEAR IN PRAVDA COLON PARAGRAPH ONE FRONT PAGE
CARRIES EXCHANGE OF TELEGRAMS BETWEEN MOLOTOV AND EDEN ON
OCCASION OF THIRD ANNIVERSARY OF ALLIANCE PERIOD BOTH TELEGRAMS
REFER TO SUCCESSFUL COLLABORATION OF BRITISH AND SOVIET PEOPLES

DURING WAR AND EXPRESS CONFIDENCE IN FURTHER STRENGTHENING OF
ANGLO SOVIET COLLABORATION IN FUTURE PARAGRAPH TWO FOREIGN
PAGE CARRIES TWO COLUMN ARTICLE BY D ZASLAVSKI ENTITLED QUOTE
CONCERNING THOSE WHOM ARE UNABLE TO UNDERSTAND AND THOSE WHO DO
NOT WISH TO ACKNOWLEDGE UNQUOTE PERIOD SUMMARY FOLLOWS COLON
PARAGRAPH ENGLISH NEWSPAPER YORKSHIRE POST COMMA DISTRESSED
BY DISAGREEMENTS WHICH ARE ARISING AMONG ALLIES ON VARIOUS
QUESTIONS COMMA SEEKS MEANS FOR ELIMINATION OF THESE DISAGREE-
MENTS PERIOD NEWSPAPER WRITES COLON QUOTE SINCERE DESIRE FOR
MUTUAL UNDERSTANDING DEFINITELY EXISTS IN ENGLAND PERIOD IF
COMMA IN SPITE OF THIS COMMA MISUNDERSTANDINGS ARISE COMMA
THEN THEIR CAUSE MUST BE SOUGHT NOT IN ANY BASIC CLASS OF
INTERESTS COMMA WHICH WOULD BE FATAL COMMA BUT COMMA IT IS
POSSIBLE COMMA RATHER IN DIFFERENCE OF METHODS AND TRADITIONS
HIATUS INSUFFICIENT UNDERSTANDING OF WESTERN METHODS WHICH
RUSSIANS HAVE SOMETIMES SHOWN IN THEIR ACTIONS IS RESULT OF
POLICY CONDUCTED BY LENIN COMMA IN REVERSE OF PETER THE GREAT'S
POLICY OF RAPPROCHMENT WITH WEST COMMA THIS REVERSE CHAR-
ACTER HAVING FOUND ITS EXPRESSION IN SHIFT OF CAPITAL PARENTHESIS:
MOSCOW INSTEAD OF LENINGRAD PARENTHESIS UNQUOTE PARAGRAPH WE
AGREE WITH YORKSHIRE POST THAT FUNDAMENTAL INTERESTS OF GREAT
ALLIED POWERS CREAT FULL POSSIBILITY FOR MUTUAL UN

12

-3-#1773, Twenty-seventh, from Moscow

AND UNANIMITY IN FIGHT AGAINST FASCISM WE ARE AFRAID COMMA HOWEVER COMMA THAT ENGLISH NEWSPAPER DETACHES ITSELF FROM PATH TO UNDERSTANDING BY RESORTING TO INAPPLICABLE HISTORICAL PARALLELS PERIOD NEWSPAPER REPRESENTS WHOLE COURSE OF RUSSIAN HISTORY IN TERMS OF OPPOSITION OF A CONVENTIONAL QUOTE WEST UNQUOTE TO AN EQUALLY CONVENTIONAL QUOTE EAST UNQUOTE REVERSE CHARACTER UNQUOTE OF POLICY OF TWENTIETH CENTURY IN RELATION TO POLICY OF SEVENTEENTH CENTURY IN RUSSIAN HISTORY PERIOD CONTRAST IN QUOTE WESTERN UNQUOTE AND QUOTE EASTERN UNQUOTE METHODS IS EQUALLY GROUNDLESS PERIOD YORKSHIRE POST ASSUMES THAT RUSSIANS ARE DISPLAYING QUOTE INSUFFICIENT UNDERSTANDING OF WESTERN METHODS UNQUOTE PERIOD BUT WE SUFFICIENTLY FAMILIAR WITH VARIOUS QUOTE WESTERN METHODS UNQUOTE PERIOD FOR EXAMPLE FOREIGN POLICY CONSISTED IN SETTING WHOLE WESTERN EUROPEAN WORLD AGAINST SOVIET UNION AND IN ARTIFICIAL HOSTILE ISOLATION OF SOVIET UNION PERIOD THIS QUOTE WESTERN METHOD UNQUOTE WAS GRACED WITH NAME OF QUOTE MUNICH UNQUOTE PERIOD WHAT IT LED TO IS WELL KNOWN PERIOD GREATEST CATASTROPHE OVERTOOK WESTERN EUROPE AND NEARLY DESTROYED ENGLAND PERIOD THIS QUOTE WESTERN METHOD UNQUOTE WAS REPLACED DURING WAR BY ANOTHER QUOTE WESTERN METHOD UNQUOTE COMMA WHICH HAS RECEIVED ITS EXPRESSION IN AN ANGLO-SOVIET ALLIANCE AND IN FORMATION OF COALITION OF GREAT DEMOCRATIC POWERS PERIOD THIS QUOTE WESTERN METHOD UNQUOTE LED TO VICTORY OVER HITLERITE GERMANY COMMA AND MILITARY OPERATIONS OF RED ARMY ON EASTERN FRONT PLAYED DECISIVE ROLE IN SALVATION OF EUROPEAN CIVILIZATION PARAGRAPH WHAT QUOTE WESTERN METHODS UNQUOTE IS ENGLISH NEWSPAPER TALKING ABOUT QUESTION IF TERM QUOTE WESTERN METHOD UNQUOTE MEANS DEMOCRACY COMMA EQUAL RIGHTS OF PEOPLES COMMA MAINTENANCE OF THEIR INDEPENDENCE COMMA THEN SOVIET PEOPLE KNOW THAT HIGHEST FORM OF DEMOCRACY IS DEMOCRACY IS REALIZED IN SOVIET STATE PERIOD THIS IS INDISPUTABLY PROVED BY WHOLE COURSE OF SECOND WORLD WAR COMMA IN WHICH SOVIET PEOPLE PROVED ITSELF STRONGEST AND MOST IRRECONCILABLE OPPONENT OF GERMAN FASCISM PERIOD DEMOCRATIC STATES EUROPE FOUND IN SOVIET PEOPLE THEIR SUREST AND STRONGEST DEFENDER AND LIBERATOR PARAGRAPH WE REGRET THAT YORKSHIRE POST DOES NOT UNDERSTAND THIS PERIOD IT DOES NOT UNDERSTAND BECAUSE IT IS UNABLE TO UNDERSTAND COMMA AND IT IS UNABLE TO UNDERSTAND BECAUSE IT DOES NOT TAKE THE TROUBLE TO JUDGE A GREAT POWER ON BASIS OF CONSCIENTIOUSLY STUDIED FACTS BUT PREFERS TO JUDGE ON BASIS OF TRADITIONAL ARCHAIC SCHEMES AND EMPTY PSEUDO HISTORICAL PARALLELS PERIOD PROCEEDING FROM SUCH GROUNDLESS PRECONCEPTIONS COMMA IT SAYS THAT SOVIET STATE TENDS TOWARD SELF ISOLATION AND UNILATERAL ACTIONS COMMA AS INSTANCED BY FORMATION OF PROVISIONAL GOVERNMENTS IN POLAND AND AUSTRIA COMMA ENGLISH NEWSPAPER DOES NOT UNDERSTAND PERIOD WE A

-3-#1773, Twenty-seventh, from Moscow

IS UNABLE TO DO SO FOR IT PREFERS ITS SCHEME TO FACTS PERIOD BUT FACTS ARE CLEAR AND VERY SIMPLE PARAGRAPH LIBERATING PEOPLES FROM GERMAN FASCISM COMMA RED ARMY IS DESTROYING FASCIST PARTY AND FASCIST INSTITUTIONS IN FULL AGREEMENT WITH DECISIONS OF CRIMEA CONFERENCE PERIOD THIS IN NO WAY SUBMITS TO DESCRIPTION UNDER TERM QUOTE UNILATERAL ACTIONS UNQUOTE PERIOD IT IS OBVIOUS THAT ERADICATION OF FASCISM INVOLVES RESTORATION OF DEMOCRACY IN ALL LIBERATED COUNTRIES ALL DEMOCRATIC INSTITUTIONS ARE REVIVING AND DEMOCRATIC PARTIES AND GROUPS WHICH WAGED UNDERGROUND LIBERATION STRUGGLE DURING PERIOD OF GERMAN OCCUPATION ARE EMERGING INTO OPEN POLITICAL LIFE PERIOD RED ARMY TREATS THIS PROCESS OF RESTORATION OF DEMOCRACY WITH COMPLETE SYMPATHY PERIOD COULD IT BE OTHERWISE QUESTION FROM VERY BEGINNING OF WAR RED ARMY HAS PURSUED TASK OF LIBERATING NOT ONLY ITS OWN NATIVE LAND BUT ALSO ALL PEOPLES ENSLAVED BY GERMANS PERIOD THEREFORE PEOPLES GREET RED ARMY AS THEIR LIBERATOR PERIOD RED ARMY TRANSFERS ADMINISTRATION TO LIBERATED PEOPLES THEMSELVES WHEREVER MILITARY CIRCUMSTANCES PERMIT PERIOD THIS IS IN NO SENSE QUOTE UNILATERAL ACTION UNQUOTE PERIOD ON CONTRARY COMMA IT IS IN FULL AGREEMENT WITH CRIMEAN DECLARATION ON LIBERATED EUROPE PERIOD SO IT HAS BEEN IN BOTH POLAND AND AUSTRIA PERIOD ON OTHER HAND COMMA IT WOULD HAVE BEEN UNILATERAL AND ANTI DEMOCRATIC ACTION HAD RED ARMY FORCED UNSUITABLE GOVERNMENTS UPON LIBERATED PEOPLES PERIOD SOVIET PEOPLE INSIST HEAVILY THAT PROVISIONAL GOVERNMENTS IN LIBERATED COUNTRIES CONTAIN NO ELEMENTS WHICH ARE PRO FASCIST AND HOSTILE TO SOVIET UNION PERIOD FASCISM AND HOSTILITY TO SOVIET UNION ARE IDENTICAL CONCEPTIONS PERIOD ASSISTING LIBERATED PEOPLES TO ELIMINATE REMNANTS OF FASCISM FROM THEIR COUNTRIES COMMA SOVIET UNION IS FULFILLING DECISIONS OF CRIMEAN CONFERENCE PERIOD SUCH ARE FACTS PERIOD THEY REFUTE SCHEME WHICH IS DEAR TO CERTAIN POLITICIANS IN ENGLAND AND USA PERIOD BUT SO MUCH THE WORSE FOR THIS SCHEME AND THESE POLITICIANS PARAGRAPH THERE ARE STILL PEOPLE WHO IDENTIFY QUOTE WESTERN METHOD UNQUOTE WITH METHODS OF PREWAR FOREIGN POLICY PERIOD THESE PEOPLE TRY TO FORCE UPON ALL PEOPLES QUOTE DEMOCRATIC FORM UNQUOTE WITHOUT DEMOCRATIC CONTENT PERIOD THESE GENTLEMEN THINK THAT THEY ARE DEARERS AND MONOPOLISTS OF DEMOCRACY AND THAT ALL OTHER PEOPLES MUST BLINDLY IMITATE OLD AND OBSOLETE MODELS PERIOD THESE GENTLEMEN THINK IN OUTWORN CATEGORIES PERIOD THEY DO NOT UNDERSTAND WHAT HAS TAKEN PLACE IN INTERNATIONAL RELATIONS PERIOD CAUSE FOR THIS IS NOT THAT THEY ARE UNABLE TO UNDERSTAND BUT THEY DO NOT WISH TO UNDERSTAND PERIOD THEY DO NOT ACKNOWLEDGE THE FACTS PERIOD THUS ENGLISH NEWSPAPER DAILY MIRROR COMMA PUBLISHED IN SYDNEY COMMA AUSTRALIA COMMA CARRIES ARTICLE BY A MR BAUM WHO WRITES COLON QUOTE TODAY COMMA WHEN THERE IS NO LONGER ANY NECESSITY OF REPULSING GERMAN AGGRESSORS FROM STALINGRAD COMMA ENGLISH PEOPLE FEEL BEEN NECESSITY OF REPULSING IDEOLOGICAL AGGRESSORS OF MOSCOW HIATUS RUSSIANS THREATEN EUROPE UNQUOTE PERIOD NEWSPAPER FRANKLY

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-4-#1773, Twenty-seventh from Moscow

DECLARES THAT ALLIANCE WITH SOVIET PEOPLE WAS NECESSARY AT TIME
WHEN DANGER THREATENED ENGLAND PERIOD NOW THIS DANGER HAS
PASSED AND ALLIANCE IS NO LONGER NEEDED PERIOD ON CONTRARY
COMMA ENGLAND IS SUPPOSED TO BE IN NEED OF STRUGGLE WITH
SOVIET UNION SUCH AS THAT WAGED AGAINST HITLERITE GERMANY
PERIOD THERE IS NOTHING NEW IN THIS PERIOD THERE IS NO LACK OF
QUOTE MUTUAL UNDERSTANDING UNQUOTE PERIOD ANTI HITLERITE COALI-
TION IS HATEFUL TO REACTIONARY AUSTRALIAN NEWSPAPER PERIOD
IT DOES NOT WISH TO ACKNOWLEDGE FACT THAT SOVIET UNION IS
MIGHTY DEMOCRATIC POWER PERIOD THERE WAS TIME WHEN CERTAIN PEOPLE
DID NOT WISH TO ACKNOWLEDGE THAT EARTH REVOLVES ABOUT SUN
COMMA AND TIME WHEN HITLERITES DID NOT WISH TO ACKNOWLEDGE
SUPERIORITY OF RED ARMY OVER GERMAN ARMED FORCES PERIOD BUT IT
HAD TO BE ACKNOWLEDGED PARAGRAPH AMERICAN HEARST PRESS HAS
SYSTEMATICALLY DISTORTED POSITION OF SOVIET DELEGATION AT SAN
FRANCISCO CONFERENCE PERIOD IS THIS BECAUSE IT IS UNABLE TO
UNDERSTAND SOVIET POSITION QUESTION BY NO MEANS PERIOD QUOTE IT
DOES NOT WISH TO ACKNOWLEDGE FACT THAT SOVIET UNION IS GREAT
DEMOCRATIC POWER WHICH POSSESSES SUFFICIENT MIGHT NOT ONLY TO
ESTABLISH SECURITY ON ITS OWN BORDERS BUT ALSO TO ASSURE
SECURITY OF PEOPLES OF EUROPE PARAGRAPH QUOTE THIS MUST BE
ACKNOWLEDGED PERIOD THE SOONER OUR FRIENDS AND OUR FOES UNDER-
STAND IT COMMA THE BETTER IT WILL BE FOR ALL HUMANITY UNQUOTE
PERIOD REPEATED TO LONDON AS 225

HARRIMAN

RL/1115P

MAY 27, 1945)

12"

DEPARTMENT
OF
STATE

MS-704

INCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES PLAINDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

1945 MAY 31 AM 9 04 Moscow

Dated May 30, 1945

DC/L
LONDON

Rec'd 6:10 p.m.

PW13 VIA PREWI

MOSCOW 3109 204 RTP 30 2050

PRESS SECSTATE WASHINGTON
1200 THIRTIETH MOSCOW PRESS FOR MAY TWENTYNINTH ANNOUNCED
THAT PATRIARCH OF MOSCOW AND ALL RUSSIA HAD DEPARTED TOGETHER
WITH CHURCH DELEGATION TO VISIT COUNTRIES OF NEAR EAST PRD EM-
BASSYS TRANSLATION OF ANNOUNCEMENT FOLLOWS CLN PGM AT INVI-
TATION OF THE PATRIARCH OF ALEXANDRIA MOST BLESSED CHRISTOPHER
CMN THE PATRIARCH OF JERUSALEM MOST BLESSED TIMOTHY CMN THE
PATRIARCH OF ANTIOCH AND ALL THE EAST CMN MOST BLESSED ALEXANDER
THIRD A CHURCH DELEGATION CONSISTING OF TWELVE PERSONS HEADED
BY THE PATRIARCH OF MOSCOW AND ALL RUSSIA MOST HOLY ALEXSEI
DEPARTED FROM MOSCOW ON MAY TWENTYEIGHTH FOR RETURN VISITS TO
CAIRO CMM JERUSALEM CMM ALEXANDRIA CMM DAMASCUS AND BEIRUT PRD
PGH THE FOLLOWING ARE INCLUDED IN THE DELEGATION ACCOMPANYING
THE PATRIARCH CLN METROPOLITAN KRUTISKI NIKOLAI CMN ARCHBISHOP
OF TULA AND BELEV CMM VITALI SMN ARCHPRIEST NIKOLAI KOLCHITSKI
AND OTHER CHURCHMEN AND ECCLESIASTICS PRD PGM METROPOLITAN
KRUTITSKI NIKOLAI CMM ACCOMPANIED BY ARCHPRIEST NIKOLAI KOL-
CHITSKI AND PRIEST IUVENALI WILL GO FROM CAIRO TO LONDON AT
THE INVITATION OF THE ARCHBISHOP OF CANTERBURY AND WILL RETURN
THE ARCHBISHOP OF YORKS VISIT TO THE MOSCOW PATRIARCHATE PRD
PGH SENT TO DEPARTMENT AS 1800 CMN REPEATED TO JERUSALEM
TO CAIRO AS SIXTYFIVE SMN BEIRUT AND LONDON AS 229

HARRIMAN

RL/610P
MAY 30, 1945

300

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow (via War)
TO: Secretary of State, Washington
DATED: May 31, 1945
NUMBER: 1829

CONFIDENTIAL

A lecture on "the war in the Pacific Ocean" was given to approximately one hundred people in Moscow Polytechnic Museum by Colonel Tolchenov, leading Soviet military commentator, on May 29. You are referred to Embassy's cable No. 4383 of November 15, 1944. Tolchenov placed a great deal more stress upon role of war in Europe as factor influencing Pacific situation in this lecture than in the lecture which he gave on this subject last November. He said that the main forces of the Allies had been tied up in Europe but would be available for use in the Japanese war now. It had been the Japanese belief previously that a favorable factor on their side was provided by the operations of Germany in Europe. A new note of alarm had crept into press of Japan, with European war finished. A recent statement that Japan must now face gigantic forces of England and America alone was an example of this. (This message is being repeated as No. 45 to Chungking.)

The May 29 lecture, at the same time, depicted a more concrete and impressive picture of power still available to Japan than the lecture in November or other public statements in this connection. Colonel Tolchenov said that Japanese armies' spirit remained unbroken (as indicated at Okinawa and elsewhere), that enormous difficulties are faced by the Allies in connection with carrying out operations 8,000 kilometers from United States' west coast, that the army of Japan is still approximately 4,000,000 men (which likely could be raised to 6,000,000 or 7,000,000), and that while the Japanese losses were large, they are small portion of entire

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No. 1829 - page 40

of entire armed force. The Allies' lack of good bases was especially stressed by Tolchenov. He said that Chinan was no England and that China would be far better base but only future would reveal whether it would be used by Allies.

Tolchenov recapitulated the advantages which the Allies enjoy, in an evaluation of the future prospects of war against Japan, but said that victory must be realized by the application of superiority in men and equipment and is not realized by their mere possession.

The omission of all mention of Japanese plans for aggression against the Soviet or for world domination by Tolchenov in his lecture was a further difference between this one and the lecture he gave in November. His reply to a query concerning attitude of press of Japan toward Russia was his only statement which dealt with Soviet - Japanese relations. His answer to this question was that the press of Japan is very friendly to Soviet Union at present.

The customary well-organized narrative in which he excels comprised the larger part of the lecture. The battle for the Solomon (which he believed was turning point of Pacific war) was given particular attention. The facts which he outlined concerning the campaigns of Nimitz and MacArthur gave impression of bold use of tremendous power and careful organization, although he did not openly express admiration for strategy of the Allies.

Facts and figures indicating great superiority of Allies in air and sea were presented by Tolchenov but he emphasized the idea that victory could not be won by sea and air power alone and that land power must play important, if not decisive part, more than in any of his earlier statements concerning the war in the Pacific.

Following his talk, approximately fifteen questions were submitted to him. Pointing out that the question did not deal with "Pacific Ocean front",

Tolchenov

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No. 1829 - page 43

Tolchenov refused to reply to a question as to whether the Japanese had violated Soviet frontier recently. In a similar fashion, he dismissed other queries concerning situation in China and other political questions. Tolchenov stated, in reply to query concerning damage being suffered by industry of Japan due to American bombing, that there was no question but that a great deal of damage had been done by such blows as recent raid on Nagoya, but that it was not possible to get adequate information on this point. Tolchenov said, however, that the Japanese program of decentralizing industry must be taken into account. Tolchenov stated that appreciable damage had resulted in Okinawa battle from Japanese suicide planes, in reply to a question concerning the success of such planes.

Seemingly the group attending the lecture was slightly irritated by Tolchenov's failure to reply to political questions. The statement that it was "very bad" that Tolchenov had not replied to more questions was made by one NKVD officer. In reply to a question as to whether Soviet Union would enter war against Japan, he said that the scope of his lecture did not cover this question. This was the question which caused the greatest interest and some laughter.

In conclusion, one point which should be mentioned is the way in which possible Allied strategy in Pacific in the future was discussed by Tolchenov. Tolchenov stated that whether the Allies would rely on bombing and blockade or whether they would take "decisive measures" was the first question. In the event they undertook invasion, would they wait until overwhelming forces had been gathered or would they do so in the immediate future? He said in this connection that as long as a year might be needed for transfer of forces from Europe. The opinion was expressed by Tolchenov that the Allies would realize still greater preponderance of strength by waiting for all these forces to be concentrated, but that they would lose in "scope" by following such procedure.

HARRISMAN

DO/L:GFW
6-2-45

COPY FOR SECRETARY

MING
GRAM203
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

PLAIN

105 MAY 31 AM 9 21

DC/L
LIAISON

Moscow via Army

Dated May 30, 1945

Rec'd 1:25 p.m.

Secretary of State,

Washington.

1908, Thirtieth

Following items regarding arrests or trials of
collaborationists appeared in press for May 29.

One. Belgrade despatch reporting arrest of Mandich,
former Prime Minister under Pavlovic, and others.

Two. Paris despatch reporting arrests of German
spies and collaborationists now being carried out in
Holland.

Three. London item on arrest of Himmler's brother
and sisters.

Four. Account from Stockholm of first phase of
Quisling's trial.

Five. London report of death sentence passed in
France on General Mangest.

Items were also published reporting work of Finnish
Commission investigating misdeeds committed in state
police during war and demand by University of Paris
students for execution of Petain.

UNSIGNED

WJP

RECEIVED BY DESPATCH SERVICE

204

FROM: American Embassy, Moscow
TO: Secretary of State, Washington
DATED: May 30, 1945
NUMBER: 1799

CONFIDENTIAL

A brief digest of WAR AND THE COMING Class No. 10 issued May 15, 1945 follows:

1. An editorial entitled 'The great victory.'

Following the claim that the efficacy of Anglo-Soviet-American coalition as guarantee of security for small and medium nations and the great role and importance of Soviet Union as saviour of civilization of Europe from Fascist barbarism have been demonstrated by the course and outcome of the war, the article states that victory over Germany now remains to be consolidated by (1) establishment of an effective International Security Organization and (2) Germany's complete military and economic disarmament and moral political destruction of Fascism. (It is said utilization of German labor, reparations in kind, quick and drastic punishment of war criminals, liquidation of Hitlerite state, German armed forces, general staff and economic basis of aggression are implied by this program.) If International Security Organization pursues no extraneous aims alien to its spirit and if major victor powers work in spirit to accord based on mutual respect and understanding for mutual interests, struggle to suppress and avert aggression by Germany will succeed. In time that absolute eradication of Fascism necessitates decisive struggle in various nations of the world against surviving reactionary pro-Fascist forces and Imperialist tendencies is developed by article, as it proceeds with survey of current world issues. Under headings of food supply, reconstruction,

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-2- 21777, May 30, 1945, New York

reconstruction, providing guidance for citizens displaced by war, freedom of all types of workers, and elimination of fascist elements from political life, a review is made of current power trends in Europe's victorious and liberated nations. The economic threat of war development in capitalist nations is given special attention. The fact that success in avoiding this threat is connected inextricably with prospects for development of political and economic collaboration among countries is pointed out. Reference is made of the Soviet line for the peoples of colonial countries in their fight for their freedom and independence concludes the article.

2. Author of The Military Aspect of Germany in military edition of 1944, Major General N. Golitsynov.

This is a synopsis review of the European war. Contribution of Western Allies is systematically belittled and the real story is given credit for playing an overwhelmingly decisive role in Germany's defeat. A good illustration of the general tone of reasoning used is the following review of the final phase of war: "During the whole war allies showed cowardice when German resistance was advanced in the west, after Germany had been defeated by Red Army forces. Under cover of their forces against the Soviet troops, the Germans stubbornly showed resistance in the east. We had to stop in these circumstances until for the final decisive time, and Berlin was then occupied. A declaration of unconditional surrender was then forced upon Germany."

3. L. Borsinski author of important paper has contributed previous article to WAR AND THE WORKING CLASS on Poland.

Concerning the Polish question, this is an unimpeachable recognition of Soviet of Soviet. In Borsinski's May 21 article he says a complete recovery is given.

206

-2- 21777, May 30, 1945, New York

O given.

4. A specialist on Italy for WAR AND THE WORKING CLASS, S. Slobodskoi has authored Italy after liberation.

Italian political situation before Italy's complete liberation is described in terms of struggle of reactionary pro-fascist cliques to frustrate demands of Italian populace for greatly needed political economic reforms such as democratization of state, reorganization of industry and redistribution of land. Italian reactionary policy, Slobodskoi maintains has been to consolidate political positions in southern Italy and use latter as base in struggle against democratic forces, which are concentrated in the north, principally. The liberation of northern Italy cannot fail to alter sharply the preexisting balance of political forces, he then argues, and banishes all possibility of justifying further postponement of radical reforms along lines of those which the Committee of Liberation Delegation from liberated northern Italy proposed to the Rome Government. However, Slobodskoi warns that merging of reactionaries of southern and northern Italy will intensify resistance to liberation movement of people of Italy and that reactionary forces of Italy will not relinquish their positions without a battle. In this connection particular attention is devoted to international contacts of big business circles of Italy. Any Italian Fascist financiers and monopolies, it may be assumed, will be willingly employed by monopolies of democratic nations as mediators and agents in their business and various other connections with big capitalist circles of Germany.

5. L. Volynsky (well-known political commentator and specialist on France) war criminals will not escape retribution.

A condemnation and description, based on materials taken from American and British

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—3— 2/19/44, Day 30, 1943, from Moscow

reconstruction, providing equipment for millions displaced by war, purging of all types of taxation, and diversion of Fascist elements from political life, a review is made of urgent postwar tasks in Europe's victorious and liberated nations. The enormous threat of mass unemployment in capitalist nations is given special attention. The fact that success in avoiding this threat is connected inextricably with prospects for development of political and economic collaboration among countries is pointed out. Reference is especially made of the Soviet war the peoples of colonial countries in their fight for their freedom and independence concludes the article.

2. Author of the Military Journal of Germany is military editor of PRAVO, Major General S. Guletskii.

This is a sympathetic review of the German war. Condemnation of western allies is hysterically intensified and the Red Army is given credit for playing an overwhelmingly decisive role in Germany's defeat. A good illustration of the general theme of restoring order is the following version of the final phase of war: "During the final war allies invaded Germany when German resistance was weakened in the east, after Germany had been tied up by the Red Army. The allies threw all their forces against the Soviet troops, the Germans heroically repulsed them in the east. The Red Army, in these circumstances could not the final decisive blow, and Berlin was then besieged. A declaration of unconditional surrender was then forced upon Germany."

3. E. H. Hinton, author of recent Polish law article published previous article to see AND THE WORKING CLASS in Poland.

Regarding the Polish question, this is an authoritative representation of views of Soviet. In Moscow's Day 31 article No. 1742 a complete summary is given.

2- (1973), 100, 1005, 1006

1 given.

4. A specialist on Italy for WAR AND THE WORKING CLASS, S. Glubokskoi has authored Italy after liberation.

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A condensation and description, based on materials taken from Americans and British

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-4- 1979, May 30, 1945, from Moscow

and British press, of deferential treatment which representatives of press and Allied Command reportedly accorded outstanding captured Nazi leaders and German generals. Author terms this behavior as an outrage to memory of countless victims of Hitlerism and concludes that severe punishment of these criminals is condition and guarantee of postwar security and peace.

6. Remarks from international life.

German Fascist circles represented by Otto Strasser, and Otto Strasser are accused of scheme to restore German imperialism and prepare for world war three. Newspapers of Allies are satirically scolded for endeavoring to interview such personages as Hess and Jodel, etc, it is said should not be interviewed but should be tried and punished. Sweden is criticized for lenient treatment of German agents Lonnegren and Tolson at recent trial in Stockholm. Bearing of Portuguese for Hitler is termed one more proof that there is no limit to Hitler Fascist circles' villainess. In item concluding with query as to why this Fascist agency is given refuge in London, General Frelah and his associates on Czech National Committee in London are excoriated. Endeavors of German diplomats in London and in Sweden to change occupations and remain undetected are brought to light. The services of the Nazis to Germany during the war are called to mind.

7. E. Surpoeve, TSNW correspondent at San Francisco, At the United Nations Conference.

Comments and observations at the conference in San Francisco. A great deal of space is devoted to issue of Argentina being extended invitation. Author asserts this issue was decided by votes of Western Hemisphere and cites Walter Lippman as writing that countries which did not support decision to invite Argentina were the very ones with whom, through whom and by whom peace will

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peace will have to be maintained when it is made.

E. G. Despalov's A dangerous conception.

A plan for an European association of countries which Sir Walter Layton proposed in his book how to deal with Germany: A scheme for European peace, is denounced as one more European Federation proposal prompted by the desire to revive carbon sanitaire against USSR and to restore British balance of power policy on continent of Europe. Accusation of being anti-American in substance is also leveled at Layton's plan of being anti-American in text. It is said that all such plans are incompatible with security of people of Europe and with maintaining peace in European continent.

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