(c) For the purpose of keeping to a minimum the cost to the United States of participation in the Fund and the Bank, the Secretary of the Treasury, after paying the subscription of the United States to the Fund, and any part of the subscription of the United States to the Bank required to be made under article II, Section 7(1) of the Articles of Agreement of the Bank, is authorized and directed to issue special notes of the United States from time to time at par and to deliver such notes to the Fund and the Bank in exchange for dollars to the extent permitted by the respective Articles of Agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable and shall be payable on demand of the Fund or the Bank as the case may be. The face amount of special notes issued to the Fund under the authority of this subsection and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Fund, and the face amount of such notes issued to the Bank and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Bank under article II, Section 7(1) of the Articles of Agreement of the Bank.

(d) Any payment made to the United States by the Fund or the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

Obtaining and Furnishing Information

Sec. 9. So long as the United States is a member of the Fund or of the Bank, the President may require at any time, in the manner and under the penalties provided in section 5(b) of the Trading with the enemy Act (40 Stat. 415, U.S.C., 1940 ed.,
title 50 App., Sec. 5), as amended, the furnishing of—

(a) any data that may be requested by the Fund under Article VIII, Section 5, of the Articles of Agreement of the Fund; and

(b) any data of the type which may be required under such section 5(b) and which in his judgment is essential for the guidance of the United States in its participation in the Fund or the Bank.

Financial Transactions with Foreign Governments in Default

Sec. 10. The Act entitled "An Act to prohibit financial transactions with any foreign government in default on its obligations to the United States", approved April 13, 1934 (48 Stat. 574, U.S.C., 1940 ed., title 31, sec. 804a), is amended by adding at the end thereof a new section to read as follows:

"Sec. 3. While any foreign government is a member both of the International Monetary Fund and of the International Bank for Reconstruction and Development, this Act shall not apply to the sale or purchase of bonds, securities, or other obligations of such government or any political subdivision thereof or of any organization or association acting for or on behalf of such government or political subdivision, or to the making of any loan to such government, political subdivision, organization or association."

Jurisdiction and Venue of Actions

Sec. 11. For the purpose of any action which may be brought within the United States or its territories or possessions by or against the Fund or the Bank in accordance with the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the Fund or the Bank, as the case may be, shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action
at law or in equity to which either the Fund or the Bank shall be a party, shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. Then either the Fund or the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

Status, Immunities and Privileges

Sec. 12. The provisions of Article IX, Sections 2 to 9, both inclusive, and the first sentence of Article VIII, Section 2(b) of the Articles of Agreement of the Fund and the provisions of Article VII, Sections 2 to 9, both inclusive, and Article VI, Section 5(i) of the Articles of Agreement of the Bank shall have full force and effect in the United States and its territories and possessions upon acceptance of membership by the United States in, and the establishment of, the Fund and the Bank respectively.
Dear Mr. White:

Have gone into the question of the cotton barter plan in some detail in my letter to Friedman, where I indicated that it is worth trying out subject to a number of qualifications, some of a non-economic character. These non-economic qualifications raise far-reaching military and political considerations which are not altogether impertinent, but which it is outside my duties to raise with the Army authorities here. After all, it is they who decide whether and under what conditions to train Central Government divisions, and how many, just as it is for them to decide whether to undertake to feed them for the Chinese Government. Nevertheless, one cannot refrain from expressing skepticism as to the wisdom of those decisions. But granted those decisions, a prima facie case exists for trying out the cotton barter plan.

As for the political situation here, more and more evidence is accumulating tending to support the view that the Central Government intends to do as little fighting as it possibly can against the Japanese, that it has no serious intention of arriving at a compromise with the Communists (Time's correspondent here sent an excellent story to his paper on the course of the Kuomintang-Communist Party negotiations, but Henry Luce killed it after it had been passed by our Army censors and the Chinese authorities. The Newsweek correspondent also sent in a fair story, but I don't know whether his paper took it or not.) and that it would prefer to use such training and equipment as we give its armies to squash the Communists by force.
1. There has recently been a reorganization of the top leadership of the Chinese Army. Strange to say, this has been in the direction of strengthening the hold of Ho Ying-chin and his satellites over the Army in the field and of depriving those generals who have proved themselves in actual combat against the Japanese of active command of troops in favor of Ho's men and of men with more experience in gendarmerie work than on the field of battle. Ho himself has been put in charge of the best Chinese Army in Yunnan - the American general attached to this Army has a purely advisory capacity. Hu Tsung-nan, whose armies have maintained the tight blockage in the Northwest, has been promoted to the commandship of the First War Zone. Li Tsung-ren who with Chang Fa-kwei has contributed to the high esteem in which the Kwangsi armies have been held is replaced by the head of the Chungking gendarmerie who enjoys a particularly odious reputation for corruption and general skulduggery. Ho's man Koo Je-dung retains command of the crucial zone of Kiangsi, Hunan, and Anhwei. Li Tsung-ren is not the only field commander who has been taken off active duty. Chang Fa-kwei has no independent command and Cheng Chen is holding a desk job. Cheng Chen is reputed by foreigners to be China's ablest field commander. As Minister of War he can do very little for the Army without the Generalissimo's consent and he cannot fight the Japanese. One might be tempted to say plus ça change plus c'est la meme chose, were it not for the fact that the changes are for the worse.

2. In line with the above appointments are the appointment of Admiral Chan Shak as Mayor of Canton and General Ho Kwo-gong as Governor of
Formosa. The Generalissimo is not paying any attention to helping in the recapture of Canton. Instead he appoints a man as Mayor who has had no civil administrative experience but whose chief qualification is that he is one of Tai Li's leading operatives, and whose specific assignment is to organize "guerrillas" to wipe out the Communist guerrillas in Kwangtung. As for Ho Kwo-gong, his appointment must send a shudder through the hearts of the Formosan Chinese. Ho is a former national head of the gendarmerie, an organization whose reputation in China there is no need to spell out.

3. There has recently been fierce fighting south of the Yangtze between Communist guerrillas - presumably of the New Fourth Army - on the one hand and Central Government troops and Tai Li "guerrillas", some of them trained and equipped by Miles formerly of the O.S.S. and now of the Navy, on the other. Apparently the Communists were trying to get behind the Japanese lines south of the Yangtze, where they wanted to carry on the same kind of warfare against the Japanese in South China as they have in North China.

With respect to Miles, the following two stories are worth narrating.

(a) He has indicated to other Americans that he is in favor of the complete extermination of the Chinese Communists by the Central Government by force.

(b) Tai Li's organization has asked Lend-Lease for dictaphones and lie-detectors four times, only to be turned down each time; as Joyner of Lend-Lease says, what Tai Li needs is truth-detectors. Nevertheless, Miles has supplied them with some dictaphones and lie-detectors.
4. A representative of Wang Ping-shen, the Generalissimo's expert on Japan and also a Secret Service man, approached the British with a scheme for declaring a large part of Shanghai an open city. This open city was not to be bombed or shelled, it was to be run by some prominent Chinese now in Shanghai in conjunction with a representative of Wang and the foreigners now interned in Shanghai who were to be released (the scheme contains no indication of how the enemy was to be persuaded to relinquish control of the most important sections of Shanghai or to release internees), and the Japanese were to withdraw from it. The presumed objectives of the scheme among others were to facilitate the restoration of China's economic life, to protect foreign property, to test out Soviet policy toward Japan and China, and to provide a haven for "pacifistic" Japanese. There are several points worthy of comment.

(a) It is significant that Wang Ping-shen approached the British and not us. After all, it is we who are running the war in the Far East and we should have been the logical people to approach. (Wang was not to know that the British would turn the scheme over to us.) But the Chinese feel that the British are more likely to agree to an appeasement scheme with respect to the Japanese than we would; fortunately they turned out to be wrong.

(b) Many high officials in Chungking possess property in Shanghai which they hate to see subjected to the fortunes of war. It is common knowledge that Wu Tei-ch'en, of whom more anon, continues to draw income from his Shanghai real estate, and he is by no means the largest holder.
(c) Wang Ping-shen is known to favor a soft peace for Japan; therefore his talk of providing a haven of refuge for "pacifistic" Japanese (they were very pacifistic at Pearl Harbor) is merely a cloak for covering up appeasement activities.

(d) The Central Government wishes to ensure its control over Shanghai and to limit, if not to eliminate, American military and Chinese guerrilla activity to a minimum in the vicinity. It is not important to them that Shanghai is a key military and economic base for the Japanese. It is therefore no exaggeration to say that the whole proposal smacks of appeasement.

(e) The reference to testing out Soviet policy is somewhat cryptic. Presumably it is an allusion to Chinese Communist guerrilla activities or possible activities.

5. You will suspect that I am appending the following story in order to tax your credulity, but it was guaranteed to me by one of the highest American authorities here whose judgment and veracity I have never had any occasion to doubt. Wu Tei-chen, the Secretary-General of the Kuomintang, is a former gangster and leader of the Shanghai underworld. He recently approached a foreign Catholic on what he said was a very urgent question. He understood that the American Jesuits had a sure-fire method of combatting Communism, and it was most vital for the Kuomintang to find out about it. Wu is now trying to contact American Jesuits here in order to learn what the sure-fire weapon is. I suppose there is no use in telling him that the American way of fighting communism, the best that has ever been devised, is to have the highest standard of living in the world.
To indicate the present status of Kuomintang-Communist Party relations, in line with 5 above, but from the opposite angle, it is worth mentioning that a recent broadcast from Yenan monitored by our O.W.I. here, while welcoming the position of honor given to China at the forthcoming San Francisco Conference, demands that the Kuomintang be given only a third of China's representation and that the other 2/3 be given the Communists and the democratic parties. Obviously such a proposal would never have been made if the Communists thought there was much chance of a successful compromise between them and the Kuomintang. By making such a demand they are saying about as unmistakeably as possible that they have no faith in the Central Government's intentions.

The fighting reported in 3 above should not be regarded as an immediate prelude to civil war; the Central Government still feels itself too weak and is waiting until its armies in Yunnan and Kweichow are trained and equipped by the USAF in China. At the same time, it is necessary to stress that the internal situation in China is deteriorating and will continue to deteriorate unless outside forces bring about a change for the better. Unfortunately it cannot be said that the present trend of American policy either in the military or political sphere is calculated to bring about such a change. It is not an unfair interpretation of U.S. policy under Hurley to state that it has underwritten a regime which is utilizing the underwriting to prepare for civil war and that if things go on as at present this policy is, to quote Hamlet, "niching mallecho", though with less awareness than Hamlet had when he planned the play within a play.
Nothing is more likely to precipitate a civil war than our training and equipping 36 Chinese Divisions without any political conditions and even with — under Hurley — a guarantee that we shall wholly or solely support the Central Government.

It is a terrible and frightening conclusion to have to arrive at that if civil war does eventuate in China we shall not be able to escape a large part of the responsibility. Yet it is one borne out by all the facts and evidence. Fortunately it is still too early to conclude that civil war is inevitable. It can be prevented by one or both of the following:

1. A change in American policy. While it is arbitrary to separate military from political policy in this context, it helps to simplify the discussion.

(a) Political. The Hurley policy is doomed to failure. We don’t know yet whether he is returning or not, but if he does it would make a change more difficult to initiate. It is interesting to note that the boys in the Embassy are planning to recommend to the State Department that we begin sending arms to the Communists with which to fight the Japs without asking for the Generalissimo’s consent. They want to make this recommendation first on military grounds and second on the ground that it would be the most effective means of achieving internal Chinese unity, for the Generalissimo would soon have to change his tune if he knew that he did not enjoy a monopoly of American support. The Embassy boys hope to get this recommendation in before Hurley reaches Washington so as to indicate their strong disapproval.
of the line he has been following. However, one should not expect too much in the way of the initiation of a change of this character from the State Department. The people in the field have to cross many hurdles, including Dooman and Ballantine not to mention Dunn, even before their proposal reaches Crew, Stettimius and Hopkins.

(b) Military. I have already indicated that Wedemeyer is beginning to have doubts about the extent to which the Kuomintang forces we are training will really participate in an offensive against the Japanese; many people believe if they are not convinced that they will only participate to the minimum extent necessary to save Chinese face and to ensure that the supplies brought in by any American force landing on the China coast will reach Chiang's own troops. Wedemeyer already feels that it is worthwhile broaching the question of supplying the Communists with small arms with Marshall and with the President, if possible. Naturally he is groping and feeling his way. But his attitude will certainly be strengthened with the passage of time and with increasing disillusionment with the Kuomintang armies (this is precisely what happened to Stilwell and Wedemeyer's position will be stronger precisely because of what did happen to Stilwell). Here again, so much depends on the reaction in Washington, which will in turn partly depend on our grand strategy against Japan, that it is impossible to make a definitive prediction from this end.

2. A change in the Far Eastern situation resulting from Russian participation in the war against Japan. The exact impact of Russian participation will naturally depend on the conditions under which it takes place, and specifically on whether her strategy will be co-ordinated with ours.
The continuance of the present situation in China hardly contributes to either the hastening of Russia's entry into the Far Eastern War or the facilitating of co-ordination between us and Russia, if she does enter. The very possibility of such entry should enhance our anxiety to do whatever we can to bring about Chinese unity, or otherwise there may well be messy complications both in the military and political spheres. One of the strongest points of the Embassy people advocating a forward policy in China is that we are missing a magnificent opportunity to establish friendly relations with the Chinese Communists and to win their confidence. They argue that at present the Chinese Communists are not tied with Russia and that we can make a link with them before the Russians can, but that the way we are going about things will inevitably result in alienating them and throwing them into the arms of the Russians.

But it would be a mistake to assume that Russian participation in the Far Eastern War will of itself and automatically bring about an improvement in the Chinese situation. A couple of years ago, in vastly different circumstances it must be admitted, the Generalissimo was most anxious to involve Russia in the war against Japan because he thought it would provide him with the pretext for pushing the Chinese Communists out of their bases in North China which he would then be able to occupy painlessly. Now he is afraid of Russian participation because whatever else it does it will not strengthen his hand in Manchuria and North China. The trouble is that he is so stubborn and Bourbon-like in his inability to learn that the policies he might be tempted to pursue on Russia's entry might result in the bifurcation of China. The aim of our policy...
in such a situation should be to maximize Allied military and political cooperation and to facilitate the political unity of China, in the accomplishment of neither of which aims will the Generalissimo be a ready partner, unless he sees no alternative. It is clear that, however we envisage the various possible contingencies in China, American policy is a factor of decisive weight and significance.

In any case, the widely held view that Russian participation in the Far Eastern War is not merely a possibility but a probability gives the whole question of our policy toward China an urgency it might not otherwise have. Certainly, it cannot be left in the hands of bunglers like Hurley, if we wish to arrive at the kind of international understanding in the Far East we have reached in Europe. Without such understanding only Polyannas would expect the Chinese situation to improve spontaneously. And without such improvement, China may well experience troubles on a scale which will make what has happened in the liberated European countries look like small potatoes.

With best wishes and kindest regards to your wife and daughters,

Yours sincerely,

(signed) Sol Adler
Text of Hitler's Message to the Nazi Party Meeting

The text of a message by Adolf Hitler, on the occasion of the twentieth-anniversary of the announcement of the National Socialist Party's program, as transmitted by Berlin and recorded by The Associated Press, follows:

The consciousness of my duty and my work does not allow me to leave headquarters at the moment when, for the twenty-fifth time, that date is being commemorated on which the fundamental program of our movement was proclaimed and approved in Munich.

The evening of the twenty-fourth of February was, under the auspices of prudence, a development the significance of which probably only today becomes clear to us in its terrible meaning. An irreconcilable enemy was already at that time united in a common struggle against the German people in the same manner as it is today.

The unnatural alliance between exploiting capitalism and destructive bolshevism that threatens to strangle the entire world today has been the enemy to which we threw down the gauntlet on Feb. 24, 1920, in order to safeguard the existence of our nation. The same as in these years, the apparently contradictory factor in the cooperation of such extreme forces was only the expression of a unique desire of a common instigator and profiteer. International Jewry has long used both forms for the annihilation of the liberty and social welfare of nations.

Sees a Different Reich

However, there is an enormous difference between the Germany of 1920 and the Germany of 1945. The Germany of 1920 had been completely paralyzed, the Germany of today is defending itself with the utmost fanaticism. The social order of 1920 had been antiquated and was bound to collapse. Today there exists an unshakable community of the people.

If the former Germany had possessed only a small fraction of the power of resistance inspiring the Germany of today, she would not have capitulated. If the German people today possessed only a part of the former weakness, it would have ceased to exist long ago. Feb. 24, 1920, will later be regarded as a great day.

The Deutschland of mankind. Without German National Socialist recon-

...
All peoples whose states have made a pact with the Bolshevik devil will sooner or later become its victim. But let there be no doubt that National Socialist Germany will carry on this struggle until the end, and that will be the case this year when the historic turning-point comes. No power in the world will weaken our hearts.

Reconstruction Pledged

Our enemies have destroyed so much that is beautiful and holy that we can now live for only one task—to create a state that will rebuild them what they have destroyed. It is, therefore, our duty to maintain the liberty of the German nation for the future; not to permit German labor to be carried off to Siberia but to mobilize it for re-construction on behalf of our own people. It is frightful what the homeland has to endure and the tasks of the front are super-human, but if a whole people is to show itself equal to such suffering, as our nation does, then Providence will not deny us in the end the right of survival.

We have suffered so much that it only steals us to fanatical resolve to hate our enemies a thousand times more and to regard them for what they are—destroyers of an eternal culture and annihilators of humanity. Out of this hate a holy will is born to oppose these destroyers of our existence with all the strength that God has given us and to crush them in the end. During its 2,000-year history our people has survived so many terrible times that we have no doubt that we will also master our present plight.

If the homeland continues to do its duty and even does still more; if the soldier at the front takes the valiant homeland as an example and stakes his life for his native land, then the whole world will be shattered in its assault against us. If the front and the homeland are jointly determined to destroy those who renounce the law of self-preservation, those who act like cowards or those who sabotage the fight, then they will save the nation. Then, at the end of this struggle, a German victory must come and we will enjoy our proud good fortune.

When this war comes to an end, we shall put victory into the hands of a young generation. This youth is the most precious thing that Germany possesses. It will be an example for all generations to come. This, too, is the work of National Socialist education and the result of a challenge that went out from Munich twenty-five years ago.

My own life has only the value that it possesses for the nation's work unwaveringly to re-estab
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

ATHENS VIA ARMY

DATED FEBRUARY 25, 1945

REC'D 10:30 A.M.

SECRETARY OF STATE

WASHINGTON

212, FEBRUARY 25, NOON

FOR BRONNER, GREEK RELIEF, NEW YORK, FROM CURTIS

OUR 88

YOUR 70.

Detailed budget mailed nineteenth $299,600 best conservative estimate now expenditures here one year, exclusive your foreign office budget for staff or supplies you furnish. Revision necessary within three months. Salary scale unsettled, however, based other agencies planning estimated monthly doctors, sanitarians, full time $150; subsiding doctors, part-time, stationary clinics, $50; trained nurses $75; assistant nurses, drivers $60; office, clerical $50 to $100. Maintenance in field extra which UNRRA expected provide. Special outfitting JRC personnel details later.

193 tons our clothing shipped provinces so far February, Areos also shipped 16,000 tons.

MACVEAGH

JT
SECRET

OPTEL No. 64

Information received up to 10 A.M. 25th Feb. 1945.

1. NAVAL

Home Waters 24th/25th (Night) E-boats, probably mine-laying, were active off S.E. coast and 1 sunk by our forces who took 12 prisoners. 25th. An A/S Trawler on escort duty torpedoed and sunk with all hands South of the Lizard.


2. MILITARY

Western Front

Southern Sector. On 1st French Army front marked increase enemy patrol activity, while further North troops 7th U.S. Army during last 3 days have advanced South of Saarbrucken 2 miles on 7-mile front against stiff opposition and counter-attacks.

South Central Sector. 3rd U.S. Army consolidated bridge-head across Saar, South of Saarburg and has also established 2nd bridgehead 1 mile North of town, while further North troops of same army rapidly overrunning enemy bulge between Echternach and Prum from both South and North against decreasing resistance.

North Central Sector. Troops of 1st U.S. Army which crossed River Roer on 23rd in conjunction with 9th U.S. Army attack had by 1200 hrs. same day established bridgehead of average depth 1 mile on 8-mile front astride Duren. 9th U.S. Army have now extended and linked up all bridgeheads across river Roer to depth of 4 miles while Julich has been cleared and good progress made in bridge building and getting supporting arms across river in all sectors.

Northern Sector. On 1st Canadian Army Front British troops advanced half mile towards Weeze against stiff opposition.

Burma

Northern Sector. Chinese forces have captured Namtu where 11 locomotives and some rolling stock taken.

3. AIR

Western Front. 23rd/24th (Night) aircraft 639 despatched (missing 14) 375 Pforzheim (1547 tons) 83 shipping Horten (223 tons) 70 Berlin, sea-mining and other missions 111. Bombing Pforzheim extremely accurate and concentrated.
24th. Bomber Command escorted heavies 316 (missing 1) dropped 996 tons through cloud on Kamen synthetic oil plant (10 miles N.E. Dortmund) with unobserved results. Escorted U.S. heavy bombers 1043 (outstanding bombers 2, fighters 10) attacked 4 oil refineries (892 tons) in Misburg and Hamburg areas, railway centres (308 tons) at Lehrte (8 miles East Hanover) and Bielefeld, U-boat yards, (789 tons) at Hamburg and Bremen and bridges and other targets (637 tons) at Wesel and Bremen. Results unobserved except at Wesel where excellent.

SHAEF (Air) bombers dropped 128 tons Rheinberg (South Wesel) and Rees with unobserved results and 348 others attacked Viersen railway centre and communications central sector (128 tons) fighters and fighter bombers 1440 operated successfully Northern Sector. On Central Sector fighters and fighter bombers 1271 (missing 15) destroyed or damaged 177 locomotives, 1330 railway waggons, 487 MT and cut railways 173 places. Fighter Command Spitfires 25 attacked rocket sites Holland with mainly good results. 24th/25th (Night) aircraft 120 despatched, 63 Berlin, 36 sea-mining and 21 other targets.

Mediterranean Front. 22nd. Escorted U.S. heavy bombers 371 (missing bombers 3 and fighters 10) dropped 787 tons railway targets South Germany and Austria with excellent results and escort destroying 50 locomotives, while tactical aircraft 992 (missing 2) attacked communications Northern Italy, where over 150 road and rail vehicles destroyed or damaged. 23rd, Escorted U.S. heavy bombers 478 (missing 3) dropped 1034 tons on 8 railway centres in Austria and North Italy including Worgl (S.E. Munich) which latter target shows by photographs almost completely destroyed. Tactical aircraft 900 (missing 6) attacked communications and other targets wide area destroying or damaging over 400 vehicles.

Burma 22nd. Liberators 50 successfully attacked target N.W. Sagaing (203 tons).

4. HOME SECURITY

Rockets. 1 incident reported.