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 Hennegan 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 Hennegan and asked him please to come in because I wanted to know what it was all about. After Hennegan 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.
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?

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.
June 22, 1945
3:30 a.m.

LEND-LEASE
ITALY

Present: Mr. White
Mr. Glasser
Mr. Cox
Mrs. Klotz

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.N.Jr: What was the date?
Mr. White: June 19th is the date of the letter.

H.N.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 initialed is not in accord with the policy which the War Department thinks should be pursued. I don't understand who initialed it.

H.N.Jr: Wait a minute. Does the telegram the War Department initialed—isn't it in tune with what the War Department wants?

Mr. White: No. Here's the letter.

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

H.N.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.

(quot 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 9, 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 as we brought in yesterday.

H.N. Jr: (reading) ... to General E. S. Greenbaum, including a draft of the proposed cable from the President to the Prime Minister in response to the Prime Minister's cable of July 28, and requesting comment on this draft."

Is Maxwell in the State Department?

Mr. Glasser: That's right.

H.N. Jr: (reading) "Yesterday I received from the Director of War Mobilization and Reconstruction a letter dated June 18, 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 18, 1945, Attachment B.)
MR. WHITE: Isn't that Somervell's letter, the one he wrote? That's the beginning—that's the letter Somervell wrote to—

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

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

H.W. 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 reparation 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."

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

H.W. JR.: Now, you haven't got a complete file?

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

H.W. 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.W. 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.
MR. JH: 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 every thing that is pertinent.

MR. JH: I certainly would.

(Reading from Attachment A) "Next I 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 22, 1942, 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.

MR. JH: 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 appropriates adequate to fulfill these commitments."

(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 19, 1944."

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. Vinson wrote to Mr. Vinson asking him. And if they don't want to give it to us, the bill 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.

MR. JH: 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. COF: I must say, though, that I think the blame really applies to Vinson in this instance, because it is-
H.W.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. Gantos)

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

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

Mr. WHITE: What?

H.W.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.W.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.W.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.

H.W.JR: That's well.

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.W.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.W.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.W.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.W.JR: I don't see what much else you can do.
MR. COE: That's what we thought.

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

MR. WHITE: That would give it more importance.

H.W.JR: Have you got one that way? Harold 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.W.JR: You said no?

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

H.W.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 result 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 revising the way for readjustment of the sterling rate downward, but they are urging 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.W.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?
Mr. White: I am a little sorry we didn't needle them a little.

H.R.Jr.: Who?

Mr. White: The British.

H.R.Jr.: I am glad I didn't blindly initial it yesterday.

Mr. White: So. 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.R.Jr.: So, I am just rubbing your nose a little. You said everybody has initialized 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. Cnr.: 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.R.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.

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.R.Jr.: I told him it was out, but I also told him Truman didn't want any hearings. He said, 'Are you 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.R.Jr.: I will do it now.

Mr. White: If they are still on, I think that the men are preparing material.

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

Mr. Cnr.: 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. Cnr.: It is completed. It should have been here.

H.R.Jr.: The Hoffman thing?

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

H.R.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. Klots.)
(Discussion off the record.)

H.W. JR: Here is the NES 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.W. JR: A memo about the NES?

MR. WHITE: We received a letter from the NES as well as a communication from the State Department enclosing something which the British had received from the NES, in which the NES has indicated it is taking 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 NES 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 smaller 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 NES, 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.W. 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.W. 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

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

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

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

H.W. 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 seeking the State Department on this, and we are not seeking 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. O'B: Could you set up a meeting later?

H.W. 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--bear directly on it or not?

H.W. JR: I'll talk about it.
SECRET

ATTACHMENT A

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 H. S. Greenbaum enclosing a draft of the proposed cable from the President to the Prime Minister in response to the Prime Minister's cable of May 26, 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 111 13 Jun 45
June 13, 1945

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 late 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
Director

The Honorable
The Secretary of War
Washington 25, D.C.
OFFICE 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. Browley, 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 late 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
Director

The Honorable
The Secretary of War
Washington 25, D.C.
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. Healy, Mr. Crowly and yourself on these matters. If I may assume, however, on the letter of Mr. Healy 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 promises 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.

[Signature]

Wires 6/10/45
ATTACHMENT D

COPY

My dear Senator Kilgore:

With reference to your letter of 9 May 1945 concerning hearings of the Subcommittee on War Mobilization "The Economic Basis 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. H. Kilgore
Chairman, Subcommittee on War Mobilization
United States Senate
Washington, D. C.
ATTACHMENT E

Secretary Morgenthau

H. D. White

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

You recently received two letters from Mcllstrick 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 550 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 Mcllstrick 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.

2. Mcllstrick'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 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.

Hoffmann 20 June 1945

L. C. Arons
ATTACHMENT F

BANK FOR INTERNATIONAL SETTLEMENTS

Basel, 2nd May 1945.

By Air Mail

The 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 those 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.

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 1920 was issued in June 1920 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 $138.7 million
- Germany $100.4 million
- British Empire $32.3 million
- Italy $14.2 million
- Japan $2.1 million
- Yugoslavia $1.9 million
- Portugal $0.7 million

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 £M 625 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."

Regraded Unclassified
c) The service of the Loan benefits, up to two-thirds, by the guarantee 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 Tax, the Beer Tax, the Tax on Spirits (Administration of the Monopoly) and such additional revenue 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 28th 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 N.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 N.I.S. the necessary transfers for the interest service. Later certain payments were effected outside the conditions of the bond in various countries, as a result of individual arrangements concluded by the German Government.

As Trustee the N.I.S., on each occasion, immediately protested 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;

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 guarantee 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 London Protocol 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 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 guarantors 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, Norway, Sweden, Switzerland, and the United States, as well as to the Governments of the United Kingdom, France, Italy, Japan, Portugal and Yugoslavia.

I have the honour to be, Sir,

Your most respectfully,

(signed) T. H. McKlittick

"President"
ATTACHMENT G

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
PB 462,002 286 U.S./
S-546

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 letter 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 20, 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

ATTACHMENT H

BANK FOR INTERNATIONAL SETTLEMENTS
BASEL, 2nd May 1945.

THE PRESIDENT

BY AIR MAIL
The 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 20,
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 posses-
sion. 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
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 R.T.S.: (i) was founded by the central banks designated for this purpose; (ii) was required to carry out various functions in connection with separations, 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 R.T.S. arising out of the Hague Agreements may be summarised as follows:

1. The general functions of the Bank

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

2. The R.T.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 120 million Reichsmarks; b) the amounts in Reichsmarks necessary for the settlement of deliveries in Kind. (Art. IV and V of the trust agreement.)
In the Trust Agreement the U.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 1960, a non-interest-bearing deposit equivalent to 80% of the deposits of the Creditor Governments, that is to say, a minimum of $200 million. (Art. 7A 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 provision that the Bank may accept DM for an amount equal to the fraction of the annuity payable in the form of deliveries inlind under the Plan.

All sums, even those payable in currencies other than the DM, are calculated in DM, but the German Government has given the undertaking "that the DM shall have and shall retain its convertibility in gold or foreign exchange as provided in Section 31 of the Law of the 26th August 1924, and that, in all circumstances, for the general purposes of the Plan, the DM shall have and shall retain a mint parity of 4.283593 kilograms of fine gold, as defined in the German Coinage Law of August 30, 1924." (Art. III of the Trust Agreement and Art. 91, 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.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 Dawes 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 Creditor will have further assurance that the effects of economic changes on the flow of payments will be minimised, and Germany, for her part, will have the possibility of assistance during temporarily unfavorable conditions. (Art. 96, Part 5, of the Experts' Report.)

The Bank must intervene in order to forestall "circumstances which might of themselves lead to a transfer postponement." (Art. 96, 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. 90, 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 use in normal times.

(Art. 76, Part 6, of the Experts' Report.)

The limit 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. Guarantee provided for the U.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."
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. 70 of Annex I of the Experts' Report and Art. 31 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. 109, 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 Agreement.

As expressly required, and in particular by Art. 65 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 1931, 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 Creditors, 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. Provisorium and de facto suspension of the functioning of the Plan.

On the 26th 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:
1) that the credit recently granted to the Reichsbank by the central banks and the N.I.C. 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 N.I.C. 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. 124, Part B, 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 letter 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 N.I.C. of US redeemable bonds for a total of 3 million 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 factual 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 N.I.C. with respect to the Hague Agreements

1. On 1st March 1945, the N.I.C. possessed investments on the German market to a total of about Dm 227 million.

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 Alma 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 Dm 120 million (Art. 14 (a) of the Trust Agreement);

b) towards the German Government in respect of its long-term deposit of Dm 62.6 million (Art. IX of the Trust Agreement).

2. The rights and obligations of the N.I.C. 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 B, 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.
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 R.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 Agreement.

2. If any treaties, agreements or other instruments to which the British Government becomes a party, modify finally or annual totally or partially, explicitly or implicitly, the Hague Agreements and the texts annexed to these Agreements, the R.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. E. McKittrick

President.

Excellency:

I recently received two letters from Mr. McKittrick of the Bank for International Settlements, each dated May 2, 1940. 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
My dear Sir John:

I recently received, from Mr. McKittrick of the Bank for International Settlements, a copy of a letter, dated May 2, 1943, 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 now 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

Excellency:

I recently received from Mr. McKittrick of the Bank for International Settlements, a letter, dated May 2, 1943, 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 Conferences, 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 Sousa Costa,
The Minister of Finance,
The United States of Brazil,
Rio de Janeiro, Brazil
June 22, 1945
10:43 A.M.

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 - Mill, have recommended somebody from Alabama.

HMJr: Yeah.

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

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

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 presently 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.

L: Congressmen?

NMJr: Yes, Mr. Secretary.

L: Mr. Hannegan Just left.

NMJr: Yes.

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

L: Yes.

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

L: You don't say.

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

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

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

L: No, no...

NMJr: What?

L: The President is the boss.

NMJr: 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.

NMJr: 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, we talked this morning. I told this man he could call on you this afternoon.

NMJr: That's all right.

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

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

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

NMJr: 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....

NMJr: I'll tell him.

L: I think so and....

NMJr: And the agony.

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

NMJr: 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.

NMJr: It wouldn't be entirely confined to Indianapolis then, there would be a number of changes over the country?

L: That's right.

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

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

L: Well, thank you kindly.

NMJr: Thank you.

L: I appreciate your calling me up.

NMJr: 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.

NMJr: Thank you, sir.

L: Goodbye.
NEGOTIATIONS WITH CHINA

Present: Mr. White
Mr. Roe
Mr. Friedman
Mr. Adler
Mr. Kung
Mr. T. L. Soong
Mr. Chi
Mr. Hai Te-mou
Mrs. Adler

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.

(Ur. Kung, Mr. Soong, Mr. Chi, and Mr. Hai Te-mou enter conference.)

(Print 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 case?

Mr. 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.

Mr. KUNG: Well?

H.M.JR: Well?
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 1945, 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 centralising 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 to the Bretton Woods conference, and throughout the conference you emphasized the soundness of currency, and now I congratulate you and Mr. 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
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. Dr. 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 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 excenses 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.
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 Mr. 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. SUOOU: 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.

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

MR. SUOOU: 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 come 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.
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 1934. In 1934 there were some, too, but this is throughout 1934.

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—as 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. It is 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

MR. WHITE: Within the eight billion?

DR. KUNG: Within the eight billion?

MR. WHITE: 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
I 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 cooperate 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 Mr. White the other day. I was benefited 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 Mr. 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, 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.W.JR: Well, of course, you are raising a very important question, and I know you are taking a four o'clock train.

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

MR. WHITE: It is still important.

H.W.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. Cee 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 France 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
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.W.JR: ...with a hope that we can come to a solution, but—and 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.W.JR: I want more than that, though.

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

H.W.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.W.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.W.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.W.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.

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.W.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.W.JR: Yes. We'll get those for you.
Dean Acheson: Hello, Henry.

HM Jr.: Dear, 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.

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

A: (laughs) Yes.

HM Jr.: 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.

HM Jr.: 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.

HM Jr.: 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".

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

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

HM Jr.: Well, I just wanted to add my congratulations.

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

HM Jr.: Did you?

A: -- on two points.
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 Jpool 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.
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: Yeah.
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 Hefie 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.
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, Tohey 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.

---

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
the 15th of June.
HMJr: We had expected
to open on the 15th of June.
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
we discovered that wouldn't be big enough, and we
got the space under the Eiffel tower.
HMJr: Oh, yes.
D: And the Air Forces will not be able to get the materials to us quite as fast as we expected, we thought we would be able to get them in time for the first of July. And it may be a couple of 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 outstrip anything the British can show.

HMJr: Well, I'm delighted. Because the two men who 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 meet the needs of the Americans had something to do with defeating the Germans.

D: Oh, well, well, I don't know that either of these will work on 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 soaking WACs over the head that's bound to lead to a certain state of bad feeling.

HMJr: (Laughs) I would say so.

D: All right.

HMJr: Thank you.

D: Not at all.

HMJr: Bye.

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.
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 eleven o'clock train.

HMJr: You've got — you are scheduled on the eleven 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.


HMJr: Yes. 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
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 McMillan and Fulbright are on the other side of the political fence of our present collector, whose name was Pascal. 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, goody, 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. Pascal 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 appointment, the recommending, or anything else.'

HMJr: Yeah. I mean I suppose I could say it's dirty 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 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.
June 20, 1945  
5:11 P.M.

Mr. Harry White: Well, that's not news. I told them I saw a news item in the Star yesterday afternoon expressing the great doubt 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

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 the obligations of international law and treaties can be maintained. A draft for this preamble is the Charter and 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 preamble now reads: it essentially 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 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 organizers 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 the state except as enforcement measures under Chapter VIII (c) may become necessary. In the Dumbarton Oaks Proposals this principle was originally included in the chapter on pacific 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.
LEADERSHIP

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 II. States may be admitted to membership by the General Assembly on recommendation of the Security Council." (GC)

Resolution. 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.

Resolution. 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 whole 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 such an extent that it has not occurred and which it finds itself unable to accept.
(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 restore peace. Such measures will include enforcement 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 Jurisdiction 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.

Judiciatory 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

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 and procedures. Regular annual sessions will be held as well as such special sessions as occasion requires (60). 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 is 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 that operated in the League and many other international bodies.

The Conference made only one change of substance in the structure and procedures of the Assembly which was a provision penalizing a member for failing 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 different delegations was written into the Charter to different delegations. It was characteristic of many 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

The Charter sets out the principal organs of the United Nations: the General Assembly, the Security Council, the Economic and Social Council, and the Trusteeship Council. The General Assembly is the main deliberative and decision-making organ of the United Nations, responsible for a wide range of activities, including the adoption of the UN Charter, the election of the Security Council and the Economic and Social Council. The Economic and Social Council is the main deliberative and decision-making organ of the UN economic and social systems, responsible for a wide range of activities, including the adoption of the UN Charter, the election of the Security Council and the Economic and Social Council. The Trusteeship Council is the main deliberative and decision-making organ of the UN trust system, responsible for a wide range of activities, including the adoption of the UN Charter, the election of the Security Council and the Economic and Social Council.

SECURITY COUNCIL

Composition. It was taken as axiomatic at Dumbarton Oaks that the Charter would be drafted to be the view of the great powers of the world and that the organization of the Security Council and the voting procedure were the most important. The Charter states that the Security Council shall consist of eleven members, of which five are permanent and six are non-permanent. The permanent members of the Security Council are the major powers of the world, and the non-permanent members are selected by the General Assembly for a term of two years. The Security Council shall be convened by the Secretary-General at the request of any member of the council or of the Security Council itself, or if the Security Council has found the situation threatening peace and security, it may meet at any time. The Security Council shall meet at least once a month, and its meetings may be called at any time by the Secretary-General. The Security Council shall have the right to act by a majority of its members, provided that a majority of the permanent members in the Security Council are in favor of the action. The Security Council shall be the main organ for the maintenance of international peace and security, and shall be vested with the power to take such measures as may be necessary to maintain international peace and security.
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 attend 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. Then the Council is considering measures of peace 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 or more may be a party to a dispute, will be required.

**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 80-10 with fifteen nations abstaining.**

**Procedures.** The Dunbarton 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 Dunbarton 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 Dunbarton 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 V, 1 of the Dunbarton 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**
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 adopt such diplomatic, economic or other measures not involving the use of armed forces as 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, telegraphical, 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 Proposal, French and American 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 in the agreements those terms which they deemed most desirable, the action might be indefinitely delayed and the whole enforcement machinery of the Organization stilled 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 at time 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 Security Council with the assistance of the Military Staff Committee. The Dumbarton Oaks Proposal 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 members 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. (10)

Regional Arrangements. The Dumbarton Oaks text was approved which specifies that nothing in the Charter provides 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 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 Russian and British proposed an amendment, which was accepted by the other Sponsoring Powers, excepting from this provision measures taken against co-enemy states, until the Governments concerned agree to change 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
enforcement measures were hereby except 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 enacting 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 individuals 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.

INTERNATIONAL SOCIAL SECURITY

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) improvements of living, full employment and conditions of economic and social progress and development; (b) solutions of international economic, social, health and other related problems; (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 Proposal. The U.S. Delegation was happy to see the inclusion of reference to cultural, educational

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 on this point and finally compromised 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 Pledges. The U.S. Delegation had certain apprehensions with regard to the so-called "Australian pledge" which applied to the aforementioned state 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, etc., etc." 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 nation 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 international organizations having wide international responsibilities in economic, social and related fields shall be brought into relationship with the Organization (XX). 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.
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 report of the conference.

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 problem 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 arrangement 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 delegations to draft language into the text which would affect the existing situation in dependent territories. The U.S. delegation had to emphasize repeatedly that only mention 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 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 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 and self-government," but this provoked strong opposition from the British delegate. He pointed to the dangers implicit in falsely encouraging hopes of independence for peoples who will never attain it, and 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 state, being the sovereign in their relations with the world, cannot, therefore, drop their mandate and unilaterally declare its territory independent. He also stated that this proposal 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 Delegate and others urged the Council to accept this sentence with the understanding that it would be included among the basic objectives of the trusteeship system, but the Council insisted that it be included among the basic objectives of the trusteeship system, which was a concession agreed to by the British. During the debate the Philippine Delegate and others urged the Council to accept this sentence with the understanding that it would be included among the basic objectives of the trusteeship system, but the Council insisted that it be included among the basic objectives of the trusteeship system, which was a concession agreed to by the British.

The trusteeship system will apply only to territories in the following categories as may be provided for in the United Nations Charter: (a) territories and territories under mandate; (b) territories (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 and upon what terms, and the U.S. has maintained the position that there should be no change in the status of mandates or the existing rights of dependent nations without their consent.

**Objectives**
INTERNATIONAL COURT OF JUSTICE

The Danbhton Case: 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 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.

Key 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 every state, were not represented at San Francisco. So far as many 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 simul-

Consulting Assembly. The Security Council and the General Assembly will have questions to the Court for advice. Suggestions were made that other international organizations and bodies should also be given the right to ask for advisory opinions, which right should be authorized by the General Assembly in order to ask a judicial character arising within the scope of the activities.

Enforcement of Court's Decisions. Two new articles dealing with the carrying out of enforcement of the Court's decisions have been included in the Charter: (1) a simple statement of the obligation on members to comply with the decision.
decision of the Court in any case to which it is a party; (c) 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.

Conclusory Jurisdiction. It was agreed, though only after the U.S. Delegation and one or two of the principal delegations indicated that they might not be able to obtain ratification of the Statute if it gave the Court conclusory jurisdiction, that the Court's jurisdiction shall be contingent upon the consent of the parties to each case, with the exception of status as a declarant known as the "opt-out clause" submitting themselves to conclusive 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 officials 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 vote 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. Long and amiable discussion ensued on the sponsoring power amendment specifying four Deputy Secretary Generals which was objected to on the ground that it represented a big power presidency. 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 interests 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 subject to termination or removal by the Organization and shall not seek or receive instructions from any government but shall respect the exclusively international character of their responsibilities.

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 excluding 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 vote 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 Belgium which was introduced by the sponsoring powers providing for the holding 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 was 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 endorsement, strongly urged that the revision conference proposal be modified in two respects: (1) that the Statute itself be made responsible for fixing 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...
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 Zambretti One 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 prejudice action in relation to 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 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 crockpots throwing away bond money on Canal 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.,

- 2 -

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 $10,000 in bonds, by far the largest single day's sales ever made, were sold at the Seminole plant the day after the show. * * * It has been said that the Barroom & Balley 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
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 67 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 36 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.

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 W2, 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..."
Memorandum to the Secretary.
June 22, 1945.

that the ruling of Mr. Morgenthau amounts of an attempt to help the OPA and some of the other organizations overcome the results of some bad honors to which they themselves have contributed. However, my main question is the Constitutionality of this latest ruling. * * *

(See correspondence referred to Mr. 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.

Respectfully yours,

[Signature]

N. 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 accuracy 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 eschew 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.
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 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 $5 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.

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. * * *
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 $500,000, and we have requested a ceiling of one million dollars. We are nearly $200,000 at this writing. = = = In Northwest Bergen County we have been given next to the highest quota for L bonds, $170,000. = = = A neighboring town with population one 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.

Miss Helene R. Gross, 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 $5,000 (gross) War "B" Bonds through the Chicago and North Western Railway Company.
Unfavorable Comments on Bonds

Mrs. C. 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.

Unfavorable Comments on Taxation

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 this country's tax paying army. I, as 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."
The following is a copy of a letter addressed to Congressman Robert L. Doughton by Charles Lanson 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 803, of the Revenue Act of 1942, 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. * * *"
### Routine Matters

**Requests for refunds**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inquiries about Adjusted Service Bonds</td>
<td>135</td>
</tr>
<tr>
<td>Applications for job</td>
<td>79</td>
</tr>
<tr>
<td>Reports of workers</td>
<td>13</td>
</tr>
<tr>
<td>Suggestions and comments</td>
<td>2</td>
</tr>
<tr>
<td>Prove the pockets of war contractors</td>
<td>4</td>
</tr>
<tr>
<td>Call in currency of large denomination</td>
<td>2</td>
</tr>
<tr>
<td>Have a committee of citizens in each community</td>
<td>1</td>
</tr>
<tr>
<td>to work with investigators</td>
<td></td>
</tr>
<tr>
<td>Investigate Roosevelt-Sturford loan</td>
<td>1</td>
</tr>
<tr>
<td>Check on incomes of those who rent, or receive</td>
<td>2</td>
</tr>
<tr>
<td>oil royalties</td>
<td></td>
</tr>
<tr>
<td>Request discharge of Treasury tax men new in</td>
<td>2</td>
</tr>
<tr>
<td>service</td>
<td></td>
</tr>
<tr>
<td>Draft Idle Government workers for investigator</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Questions, protests, etc.

- Miners with 2 dependents in Italy whom he supports is taxed as a single man
- Other hardship cases
- Repeal car use tax
- Internal Revenue employees are arrogant in dealing with taxpayers
- Additional assessments are in error
- Taxes should be withheld from winnings at race tracks
- Place a tax on labor unions, merchandise turnover, real estate transactions
- Keep present high rates
- Partnerships are favored by present operation of capital gains tax
- Trust funds managed by tax-exempt corporations should be taxed
- Others

### Miscellaneous Protests

- Government extravagance in Canal Project, Alaska Highway, etc.
- Selling of 5-piece suits at same price that 3-piece ones once sold for in violation of G.P.A.
- Food shortages are unnecessary
- Swindlers in wartime contracts as reported by Fulton Lewis should be investigated
- November 1945, the Great Smoky Mountain National Park's 30th birthday should be observed
- Treasury should not be used to fund the construction of a new stadium for the New York Giants
- Roosevelt fountain in the Treasury should be restored
- Currency problems, mutilated money, etc.
- Inquiries about surplus property
- Favorable comment on plan for poster treatment of Germany
- Inquiries about foreign funds control
- Personalization of stamps with the name of the recipient
- Inquiry as to whether the new president of Harvard University was asked for money
- Questions as to whether or not Hoover returned his salary as President to Treasury

### Totals

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests for refunds</td>
<td>135</td>
</tr>
<tr>
<td>Taxpayer drives</td>
<td>79</td>
</tr>
<tr>
<td>Questions, protests, etc.</td>
<td>30</td>
</tr>
<tr>
<td>Miscellaneous protests</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous protests</td>
<td></td>
</tr>
<tr>
<td>Checks for rewriting</td>
<td>63</td>
</tr>
<tr>
<td>Donations to war effort</td>
<td>6</td>
</tr>
<tr>
<td>Forest Wood proposals</td>
<td>7</td>
</tr>
<tr>
<td>Roosevelt fountain</td>
<td>3</td>
</tr>
<tr>
<td>Roosevelt fountain</td>
<td></td>
</tr>
<tr>
<td>Favorable</td>
<td>22</td>
</tr>
<tr>
<td>Unfavorable</td>
<td>0</td>
</tr>
<tr>
<td>Currency problems, mutilated money, etc.</td>
<td>6</td>
</tr>
<tr>
<td>Inquiries about surplus property</td>
<td>2</td>
</tr>
<tr>
<td>Favorable comment on plan for poster treatment</td>
<td>2</td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
</tr>
<tr>
<td>Personalization of stamps</td>
<td>1</td>
</tr>
<tr>
<td>Inquiry as to identity of H. Manning on car use</td>
<td>1</td>
</tr>
<tr>
<td>stamp</td>
<td></td>
</tr>
<tr>
<td>Request that Treasury sponsor Roosevelt</td>
<td>1</td>
</tr>
<tr>
<td>International University</td>
<td></td>
</tr>
<tr>
<td>Questions as to whether or not Hoover returned</td>
<td>2</td>
</tr>
<tr>
<td>his salary as President to Treasury</td>
<td></td>
</tr>
</tbody>
</table>
Report on White House Correspondence
June 18 to June 21, 1946, Incl.

**NOTES**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>War Loan Suggestions</td>
<td>9</td>
</tr>
<tr>
<td>Comments on Eighth War Loan Drive</td>
<td>1</td>
</tr>
<tr>
<td>Complaint about loss of interest on Adjusted Service Bonds not turned in</td>
<td>1</td>
</tr>
</tbody>
</table>

**TAXES**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests for income tax refunds</td>
<td>3</td>
</tr>
<tr>
<td>Questions, complaints about income tax returns</td>
<td>10</td>
</tr>
<tr>
<td>Informers of income tax evasion</td>
<td>5</td>
</tr>
<tr>
<td>Tax plans</td>
<td>7</td>
</tr>
<tr>
<td>Unfavorable comments on present tax system</td>
<td>1</td>
</tr>
<tr>
<td>Asks Presidential support of bill to exempt pensions from taxation</td>
<td>5</td>
</tr>
<tr>
<td>Applications for job as Treasury Investigator</td>
<td>8</td>
</tr>
<tr>
<td>Unfavorable comments on hiring Treasury Investigators</td>
<td>1</td>
</tr>
<tr>
<td>Unfavorable comments on hiring Treasury Investigators</td>
<td>1</td>
</tr>
</tbody>
</table>

**GENERAL**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfavorable comments on banks reporting large denomination currency transactions</td>
<td>1</td>
</tr>
<tr>
<td>Asks repeal of 16th Amendment</td>
<td>1</td>
</tr>
<tr>
<td>Unfavorable comments on Dow tax plan</td>
<td>1</td>
</tr>
<tr>
<td>Application for job as Presidential guard</td>
<td>1</td>
</tr>
<tr>
<td>Suggestion for bill honoring FDR</td>
<td>1</td>
</tr>
<tr>
<td>Unfavorable comments on Breton Woods plan</td>
<td>1</td>
</tr>
<tr>
<td>Unfavorable comments on Breton Woods plan</td>
<td>1</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10</td>
</tr>
</tbody>
</table>

Regraded Unclassified
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.
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.

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

Russia

Poland
15. Russian press report on message of President Benes to Marshal Stalin.

Bulgaria

Hungary

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

Yugoslavia

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

INCOMING
TELEGRAM

DIVISION
OF
CENTRAL SERVICES
TELEGRAPH SECTION

E 18-1000

Plain

Moscow via War

Dated May 31, 1945

Read 1:00 p.m.

Secretary of State,
Washington,

May 31, Thirty-first

There follows Embassy translation of announce-
ment 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

EJP

Regraded Unclassified
INCOMING
TELEGRAM

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

18 MAY 26

Moscow

Dated May 26, 1945

Read 1:45 p.m., 26th

U 10 VIA PREVFL/L

Press SecState Washington

1742 Twenty-fourth Moscow News for May Twenty-fourth Devoted Over

Two Columns to Article Entitled Qte Berlin Today Reopen by L

Bessov Pek Article Was Submitted Qte Spelling Moscow To Varshavum

City Enroute Pek Much of Article Describes Scenes and Activities

In Berlin CMH Particularly Distribution of Food to Population

Under Auspices of Soviet Command Pek Pek Article States

That a Memorable Event Took Place Several Days Ago When First

Meeting of Municipal Administration CMH Consisting of

Representatives of Various Groups of Cities Population Was Held

Pek Meeting Was Presided Over by Oberbürgermeister Arthur Werner

CMH Who Is an Architect by Profession Pek Next to Him Sat His First

Deputy CMH the Worker Karl Moisan Pek Pek Article Describes Neatly

Welcome Given General Bertarin CMH Soviet Military Commander

Of Berlin CMH by Packed Hall of Representatives of Business

And Industrial Circles CMH Workers CMH Scientists and Actors

Pek Pek Article Also States Deepening Change Is Beginning in

Psychology of People on Whom Version of Fascist Propaganda Had Long

Acted Pek Berliners Are Amazed CMH Particularly by Soviet

Policies of Justice Pek Pek Article States That Berlin Artists Have

 Been Given Job of Reviving Theaters CMH Motion Picture CMH 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 Nations Would Equal

Those of Workers in Heavy Industry Pek Pek Text of Article Follows

By Air Pek Today's Red Star Published

Photographs of Women in Berlin Employment Office and of

Men at Work in Reopened Sausage Factory Pek Pek Sent to Depart-

ment as 1743 SMH Repeated to Paris for Murphy As 130

Kissman

05/143P
Regraded Unclassified
INCOMING TELEGRAM
STATE
INFORMATION SECTION

Moscow

INFORMED TELEGRAPH
INCOMING CENTRAL SERVICES

Date: May 30, 1945

Recd: 1:30 p.m., 31st.

PH 3856: MOROCCO 417 11506168

PRESS STATE WASHINGTON

INFORMED TELEGRAPH
INCOMING CENTRAL SERVICES

RECEIVED IN THE PRINCIPAL INSTITUTIONS OF HIGHER LEARNING IN POLAND WHICH FOURTEEN THOUSAND STUDENTS ARE NOW ATTENDING PROVISIONAL GOVERNMENT HAS ALLOCATED EIGHT MILLION ZLOTE FOR STUDENT ASSISTANCE IN 6 PRK FIVE PRK PRZYDA AND ZYZERIA FOR MAY THIRTEENTH REPORTED GRADUATION OF EIGHTHUNDRED CADETS FROM OFFICER TRAINING SCHOOL AT MOSKIEWO PRK LYPHAN SMOGOWSKI AND MAJOR ROL YANT WERE AMONG HIGH GOVERNMENT OFICIALS ATTENDING CEREMONY PAJ TASK OF ARMS FORCES ACCORDING TO POLISH HYPHEN PRZYDA IS TO MAINTAIN PEACE MM DEFEND THE WESTERN BORDERS AND ENSURE POLAND A FREE AND INDEPENDENT EXISTENCE PAJ PAJ SENT TO DEPARTMENT AS 1920 SMH REPORTED TO LONDON AS 92.

By: 11:30 AM

MAY 31, 1945.
DEPARTMENT OF STATE

INCOMING
TELEGRAM

DIVISION OF CENTRAL SERVICES

TELEGRAPH SECTION

LO-692

190 MAY 30 PT 3:30

DO/L
LIASON

PLAIN

Moscow via Army

Dated May 30, 1945

Rec'd 6:30 a.m.

Secretary of State,

Washington.

1929, Thirtieth

Press for May 30th published despatch dated

led Warsaw, May 29th, reporting arrival in Warsaw

of Dr. Hewlett Johnson, Dean of Canterbury, accompanied

by Oxford University Professor Day. It states

that guests attended service in Catholic Church and

thereafter viewed ruins of Warsaw.

UNSIGNED

HNC

Regraded Unclassified
INCOMING TELEGRAM

DEPARTMENT
OF STATE

INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

INBOX-1040

MOSCOW via ANA
Dated May 26, 1945
Rec'd 3:45 p.m.

Secretary of State
Washington

1760, Twenty-fifth.

Re: CIC review in SDB 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 Yalta decisions and policy of certain circles directed towards undermining or revising these decisions.

Re: CIC 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 militarists who are now prepared to play part of landshutten. Russian 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
Re: CIC links with pre-election situation in England and
alleged efforts of Conservatives to whip up anti-Soviet feeling.
feeling in connection with forthcoming election. Summary of this portion of review follows:

Nazi remnants in Germany have competitors in Polish Fascists, who have been busy for some time with plans for intervention against Soviet Union. Exposed recently in English press regarding what DEB CRONICLE calls "order for struggle against Nazis of recognized 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 destined 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 here, 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 bridgeheads. According to American radio commentator,iring, plans are being discussed in London to transfer Polish units to northeastern areas of Germany. According to some London reports, Polish quarter-masters have already arrived in English occupation zone.

In Wilhelmsdorfe, Polish colonel representing General Anders demanded
-1- #1768, 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 ECONOIST comparing Russian in 1919 and in 1935. Attempt to equate democratic policy of Soviet Union with reactionary policy of Alexander I99 gives away purpose of author, which have nothing in common with strengthening friendship of English and Soviet peoples.

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

LONDON TIMES and SUNDAY EXPRESS recognize this fact but majority of English press lends itself to libelous fabrications of Polish Polesiata. Those who seek to revile Crimen decisions expose themselves as enemies of progress and peace.

Message Unsigned.

U.S.
INCOMING
TELEGRAM

DEPARTMENT
OF
 STATE

RECEIVED
DIVISION OF
CENTRAL SERVICES

INCOMING
TELEGRAM

DIVISION OF
CENTRAL SERVICES

TELEGRAPH SECTION

1945 MAY 25
ALL 9 33

DO/L
LIAISON

1537 MOSCOW 526/501 24 2040

PRESS SECSTATE WASHINGTON

1735 TWENTYFOURTH MOSCOW PAPERS FOR MAY TWENTYTHIRD PUBLISH

FOLLOWING POLISH ITEMS CLN PGM ONE PAR ACCOUNT OF LARGE PUBLIC

MEETING HELD IN WARSAW ON DAY OF POLISH PEASANTS PAR MEETING WAS

ATTENDED BY DELEGATES TO PEASANT CONGRESS AND WARSAW INHABITANTS

PRO OSKWA NYPHEN MORSANSKI CMM ADDRESSING MEETING CMM PAID TRI-

BUTE TO ROLE OF PEASANTS IN STRUGGLE AGAINST GERMANS PRO 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 PAR POLAND WILL PARTICIPATE

IN CREATION OF PEACE AND SECURITY PRO OSKWA NYPHEN MORSANSKI

EMPHASIZED Necessity FOR ALL MANNER OF ASSISTANCE TO PEASANTS

IN ESTABLISHING THEMSELVES ON THEIR NEW LANDS PAR IN IMPORTANT

 TASK WAS REMOVAL OF ECONOMIC AND CULTURAL BACKWARDNESS OF POLISH

COUNTYSIDE PRO PMC MEETING ADOPTED RESOLUTIONS EXPRESSING

THANKS TO NATIONAL COUNCIL AND PROVINCIAL GOVERNMENT FOR THEIR

ACTIVITIES AND PROMISING THEM FULL SUPPORT WM EXPRESSING

GRATITUDE TO RED ARMY AND STALIN FOR LICENSATION OF POLAND WM

DECLARING DETERMINATION TO DEFEAT DEMOCRATIC POLAND AGAINST IN-

TRIGUES OF POLISH REACTION WM AND DEMANDING HEARTLESS PUNISH-

MENT OF WAR CRIMINALS PAR PMC TWO PAR TASS REPORT PAR NEW YORK

SUMMARIZING STATEMENT OF PROFESSOR ZLOTOWSKI REPORTERS CON-

CERNING SITUATION IN POLAND PRO ZLOTOWSKI REPORTERLY UNSEALING

REAL DEMOCRATIC CHARACTER OF WARSZAWA GOVERNMENT AND DECLARED

THAT POLAND MUST MAINTAIN FRIENDLY RELATIONS WITH SLAVIC NATIONS

WM ESPECIALLY SOVIET UNION WM PAID PAGE OF INDUSTRIALIZATION

AND ECONOMIC SECURITY OF POLAND WOULD DEPEND ON TRADE RELATIONS

WITH SOVIET UNION ON FRIENDLY BASIS WM SOVIET UNION WOULD NATURAL

MARKET FOR POLISH INDUSTRIAL PRODUCTION ESPECIALLY DURING RE-

CONSTRUCTION PERIOD WM AGRESTON REFORM CORRESPONDED TO NEEDS

OF POLISH PEASANTRY AND CREATED FIRST BASIS FOR DEMOCRACY PRO

SOVIET NYPHEN POLISH PACT IN CONSIDERABLE MEASURE TORE OUT ROOTS

OF THIRD WORLD WAR WM ZLOTOWSKI RAISED PROVISIONAL GOVERNMENT

FOR ITS READINESS TO SUPPORT YALTA DECISIONS AND COLLABORATE

WITH THREE GREAT POWERS WM AND CONDEMNING LONDON GOVERNMENT FOR

ITS REFUSAL TO DO SO AND FOR ATTEMPTING TO IMPAIR FRIENDLY REL-

ATIONS WITH SOVIET UNION PAR HE CRITICIZED AMERICAN POLICIES

WHO FAILED TO UNDERSTAND THAT POLISH PEOPLE HAD BASICALLY

CHANGED ITS RELATIONSHIP TO NEW RUSSIA AND HAD ENDED ON PERIOD

OF FRIENDLY COLLABORATION WITH SOVIET UNION WM WE ACCUSED LON-

DON POLISH

123 45 67 89 01 23 45 67 89
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 CMH THEREBY MAKING CIVIL WAR
IMPOSSIBLE PRO 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 PRO
THREE PRO CAUSTIC FEUILLETIN INSPIRED BY DON HYPHEN KOMAROWSKI
PRESS CONFERENCE PRO ARTICLE MOCUS KOMAROWSKI STATEMENTS
TO CORRESPONDENTS CMH TAKED HIGHT FAULURE OF WARSAW UPRISING
CMH AND FIRMLY REJECTS HIS PLEA FOR MUTUAL UNDERSTANDING PRO
IN CONCLUSION IT STATES THAT KOMAROWSKI IS UNDERSTOOD WELL
ENOUGH BY THE RUSSIANS AND THAT JUDGING BY CUMMINS RECENT
ARTICLE MANY ENGLISHMEN ARE ALSON BEGINNING TO UNDERSTAND WITH
WHAT MEAN PROVOCATORS AND DINTY ADVENTURERS THEY HAVE TO DO
PRO CMH SENT TO DEPARTMENT AS SEVENTEEN THIRTYMK BNN RE-
PEATED TO LONDON FOR SCHONFELD AS TWOHUNDER TWOYONE

KEMMAN

LDV 54OP
MAY 24TH 1945
DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES

TELEGRAPH SECTION

INTELG 1000

1956 May 26, At 9 32

Moscow

DO/L

Rec'd 1152 AM, 26th.

INTELG 1000

1956 May 26, At 9 32

Moscow

DO/L

Rec'd 1152 AM, 26th.

IV 9 VIA PAVI

3171 Moscow 227 25 1648

PRESS SECSTATE WASHINGTON

TWENTYFOURTH FOLLOWING POLISH ITEMS FROM POLPRESS CLN PCH ONE
PCH POLITICAL PCH ADMINISTRATIVE OFFICIALS HEADED BY ADAMOGLA
HAVE GONE TO DISTRICTS OF CHPCCZCA CMH GROTON PARMEN
GROTON ENDFRANN CMH PRADZCA CMH MIEVOLIN AND RACIBORZ PARMEN
ARILBO ENDFRANN ON LEFT BANK OF ODEZ PCH THESE DISTRICTS
WILL BE INCORPORATED INTO SILESIA HYPHEN SABROWA PROVINCE
PCH PCH TWO PCH ECONOMIC PCH MOVEMENT OF SETTLES TO OPOLE
SILESIA IS PROCEEDING AT MORE RAPID PACE PCH ABOUT ONE THOUSAND
PERSONS RECENTLY ARRIVED IN OPOLE DISTRICT PCH EIGHT-HUNDRED SIX-
TEEN FAMILIES TOLLING TWENTY-EIGHT MINTED THIRTY-FOUR PERSONS
ARRIVED IN KUZBOZ DISTRICT IN TEN DAY PERIOD PCH ARE
SETTLES BELLER SELLERS WITH THEM PCH THEY ARE
BEING SETTLED ON FARM OF GERMAN PCH PCH SIXTY
BUILDINGS IN WARSAW INCLUDING SEVERAL FAMOUS ARCHITECTURAL
MONUMENTS AND GOVERNMENT BUILDING ARE BEING RESTORED PCH REPAIRS
WILL BE COMPLETED BY JULY FIRST PCH PCH ACCORDING TO STATEMENT BY
PCH CMH WARSAW POPULATION IS NOW FOUR-HUNDRED THOUSAND PCH PCH
THREE PCH CULTURAL PCH MAIN HOUSES ONESTATES WHICH HAVE BEEN
SUBDIVIDED ARE BEING TURNED INTO SCHOOL AND PEOPLE'S HOMES PCH PCH
PUBLIC OPINION AND UNIVERSITY CIRCLE'S DEMAND
REMOVAL OF PROFESSORS ACCUSED OF COLLABORATION WITH NAZIS
COMMISSION TO INVESTIGATE CHARLS AGAINST INDIVIDUAL
PROFESSORS HAS BEEN APPOINTED PCH SENT TO DEPARTMENT
AS SEVENTEEN HUNDRED FORTY-EIGHT SON REPEATEDLY TO LONDON
FOR SCHNEFELD AS TWO-HUNDRED TWENTY-TWO

KENDALL

ER/.. 1200

Regraded Unclassified
INCOMING TELEGRAM

DEPARTMENT OF STATE
RECEIVED
DIVISION OF CENTRAL SERVICES
NO-1047

1940 MAY 26 AM 9 07

DO/L MAISON

FLIIN

Moscow via Army

Dated May 26, 1940

Read 3:00 p.m., May 26.

Secretary of State
Washington

1940, Twenty-Fourth

Issue number ten of WAR AND THE WORKING CLASSES
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 states
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, countering ignorance of many
people abroad,
In 1940, 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 enemics of the Polish people conscientiously shout about hunger, terror and the incapacity of the government to introduce order in the country.

There is no better means of counteracting these lies, 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 contesting treat of German occupation, energetically struggling against disintegration and restoring normal life while carrying out basic reform deeply touching social and economic structure of country.

Reports made at recent session of National Council were often 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 made in reconstruction of Polish economy. 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 would immediately begin to function.

It is already possible to catalog results of enormous work done in exceptionally short time. As result of these
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 Dobrow - Silican 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 Chrzanow has begun to work normally and has started serial production of new locomotive and repair of rolling stock.

Cotton industry is now more than sixty percent of pre-war figure and is increasing daily. On February first 1880 workers were employed in Lodz textile industry. On May first 60,000. Labor shortages are already being felt in textile and coal industries.

In most important
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. 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. Rusinski 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, boasted that all "experiments" would do no country to hunger. Provisional government, confident of peoples support, did not quail before difficulties. It understood that planting could be done and hunger overcome only by increasing activity of millions of peasants.
0-9/1940, Twenty-fourth, from Moscow via Army
of peasants, 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.

1,300,000 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,
25,000 hectares;

Agricultural schools, 16,000 hectares; farms for
raising high quality seed 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 dairy,
mills, and spirits, sugar, brick and pottery factories
have been placed under directorship of league. League
is organizing distribution of agricultural products,
opening schools, aiding in rebuilding farms destroyed
during war and

0-9/1940, Twenty-fourth, from Moscow via Army
during war and taking active part inaving 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 di-
versary 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 sown are not under cultivation. Success in sowing
campaign was achieved thanks to political concen-
tration on plans and activity of Mutual Aid League.

Peasants masses are convinced that policy of provi
dential 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 propaganda 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 Work-
ges 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. May Day
demonstrations

Regraded Unclassified
-11-1940, Twenty-fourth, from Moscow via Army

The Polish people desire permanent peace and closer fraternal friendship with Soviet Union. It aspires to creation of firm bulwark against German aggression. Insures full protection to territorial integrity and mutual assistance with Soviet Union. Conclusion of this 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 impeded economic development of country.

Polish reaction, fearing that it is losing its grip, is resorting to tactics of open terror. Many of its victims have been published in Polish press. Fascist cadres are pursuing Hitler’s policy of extermination 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 only mere screen for armed bands of murderers. Leaders of bands 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
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 foresighted 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 emigres and its benchmen 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 line. 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 word in all questions of internal and foreign policy of resurgent Polish state.

MESZCZ NEURNEINDE

WTD
DEPARTMENT OF STATE

INCOMING TELEGRAM

DEPARTMENT OF STATE

INCOMING TELEGRAPH SECTION

DCI

INFORM.RIO

INCOMING

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFORM.RIO

INFOR
OVER TO WORKERS OF LODZ PROVINCE AS REST HOME PERIOD PARAGRAPHS

EXECUTIVE BOARD OF POLISH TEACHERS' UNION HAS PUBLISHED MESSAGE TO POLISH TEACHERS ANNOUNCING THAT UNION IS RESUMING ITS ACTIVITIES IN ATMOSPHERE OF REAL DEMOCRACY WHICH FOR FIRST TIME GIVES POLISH SCHOOLS POSSIBILITY OF EFFECTING REFORMS FOR WHICH WORKING TEACHERS AND PROGRESSIVE TEACHERS HAVE LONG BEEN EIGHTING PERIOD UNION WILL SEEK TO INDUCE TEACHERS TO TAKE MORE ACTIVE PART IN ACTIVITIES OF REGIONAL SELF-GOVERNMENT COMMA COOPERATIVE MOMENT COMRA 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 CUP REPEATED TO LONDON FOR SCHOFNLD AS TWOHUNDRED SEVENTEEN KEMNAX

GW/13597M
PRIME MINISTER OF CZECHOSLOVAKIA IN PRESS INTERVIEW EMPHASIZED IMPORTANCE OF TASK OF RESTORING ORDER IN COMMUNICATIONS PAR MTAIN SERVICE HAS NOT BEEN RESUMED ON ALL LINES PAR COAL IS BEING BROUGHT FROM UPPER SILESIA TO MEET NEEDS OF RAILROADS AND INDUSTRIAL CENTERS THROUGHOUT POLAND PAR SEED FOR SPRING SOWING CAMPAIGN HAS BEEN SENT TO REMOTE PARTS OF COUNTRY PAR COTTON FOR LOZrott MILLS IS BEING SUPPLIED REGULARLY FROM SOVIET UNION PAR MAIL AND PARO- SANGER AIR SERVICE HAS BEEN RESTORED ON ALL MAIN AIRLINES PAR THREE PAR CULTURAL UNIVERSITY IN Poznan IS REOPENING ALL FACILITIES WHICH EXISTED BEFORE NINETEEN THIRTY-FIVE PAR LARGE EN- ROLLMENT OF STUDENTS IN THIRTY-OLD AND NEWLY OPENED DEPARTMENTS IS EXPECTED PAR UNIVERSITY TRAINING IS BEING MADE AVAILABLE TO WORK- ERS AND PEASANT YOUTH PAR UNIVERSITY SUFFERED HEAVY LOSSES FROM HOSTILITIES AND ABOUT THIRTY PERCENT OF THE FACULTY WERE CASUAL- TIES PAR PCF SENT TO DEPARTMENT AS SIXTEEN NINETEEN CMH REPEATED TO LONDON FOR SCHOFIELD AS TWOHUNDRED AS TWOHUNDRED SIXTEEN KENNAN TR.

Regraded Unclassified
INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES

SECRETARY OF STATE

WASHINGTON

1974, Twentysventh

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 107.

HAUPTMAN

VTD

Regraded Unclassified
INCOMING
TELEGRAM

DIVISION OF CENTRAL SERVICES
TELEGRAPH SECTION

IN Former Address

IN Moscow

IN Dated May 24, 1945

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

REDACTED

IN Moscow 1015 25 1649

PRESS SECSTATE WASHINGTON

1742 TWENTYFOUR TH DRODA DEVOTES ABOUT COLUMN AND QUARTER TO DESPATCH DATED PARIS MAY TWENTIETH QUOTING FROM MANIFESTO ISSUED BY CENTRAL COMMITTEE OF FRENCH COMMUNIST PARTY

PR AVADA ALSO PUBLISHES ITEM REGARDING RESOLUTION OF NATIONAL COUNCIL OF RESISTANCE PR ITEM QUOTED FROM FRANCE PRESS REPORT COMM 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 COMM TAKING INTO ACCOUNT WILL OF PEOPLE EXPRESSED IN GENERAL ELECTIONS PR POS SENT TO DEPARTMENT AS SEVENTEEN HUNDRED FOURTY TWO SMN REPEATED TO PARIS AS HUNDRED THIRTY ONE

REDACTED

DV... 123P
DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

Date: May 22, 1945

From: Moscow

To: Washington

Subject: Situation in France

The Paris Daily Telegraph reports that strikes by coal miners have ended after the government promised to consider their demands. The conditions of the miners were very bad, with shortages of clothing and lack of soap. The strikes also indicated that strikes were taking place in Paris and Marseilles, where workers demanded revision of wages.

Sent to Department as 1898, repeated to Paris for Murphy as 128.

KENNAN
SECRET

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES

Secretary of State,

Washington,

May 31.

Following Czechoslovak items appeared in press for May 31:

One. Message from President Beneš to Marshal Stalin, dated 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.

Piled with the sentiment of genuine Slavic friendship 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 unconcealed hopes to your advancing forces which with unexampled heroism blazed a trail..."
On May 31, from Moscow via Army

n 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 own 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, 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 dispatches headlined "people of Czechoslovakia support program of their government."

Item dated Prague May 20 refers to mass meeting in northern Bohemia towns of Mlada Boleslav and Semil 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 Vlasta Kopocki Minister of Information of Czechoslovak Republic entitled
1860, May 31, from Moscow via Army

entitled "on path of democratic renewal". Kopocki 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 Flossen. Frank, he stated, must be handed over to the people. He also referred to arrest of Kanka 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 Hone.

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

MESSAGE unsigned
SECRET

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

PLAIN

Moscow via War

Dated May 26, 1949

Rec'd 12:10 p.m.

Secretary of State,

Washington,

1951, Twenty-fifth

Press for May 26th published Mexico City dispatch dated May 19 quoting statements made by Subasic and

Hasnryk to correspondents of newspaper EL MOCO, VIL,

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

quotations stated that Tito's Partisans had been active

before Red Army had any strategic plans relating to

Yugoslavia and that Beneš Government was same
government as had been in exile in London. Hasnryk according to

quotations stated that Czechoslovakia's treaty with Soviet

regime could not be established in Czechoslovakia.

Hasnryk 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

was more than reasonable.

Today's FRAGILE carried brief dispatch item reporting

arrest of former Prime Minister Beneš, former leader

of National Party, Kralik-Benda and police officials

who actively collaborated with Germans.

Frage also published Prague item to effect that

text books for Russian language are soon to be published

for elementary schools.
SECRETARY OF STATE,
Washington, D.C.

1720, Twenty-third

Press for May 23 published report from Prague dated May 18 describing meeting several days prior to that 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 Grober, Minister of Defense Svoboda and Partisan leader Markovic are briefly summarized. Despatch also mentions that representative of first Ukrainian front, Major General Bole, participated and that on same day Prime Minister Fierlinger laid wreath on graves of fallen.

MESSAGE UNSIGNED

WPS
PRD PCH REPLYING TO QUESTIONS AS TO CHARACTER OF FATHERLAND FRONT
CMH TSANKOV STATED THAT FATHERLAND FRONT INCLUDED ALL DEMO-
CRATIC ANTI-FASCIST FORCES CMH INCLUDING AGRICULTURAL UNION CMH
WORKERS PARTY CMH SOCIAL DEMOCRATS CMH MEMBERS OF ZVENO AND
FOREIGN REPRESENTATIVES TO ACCOUNT CMH AND WAS ARRANGED
BY TRADE UNION NEWSPAPER TRUD PCH SUMMARY FOLLOWS PCH
CMH AND INCLUDE TEXTILE CMH RAILWAY AND STREETCAR WORKERS AS
WELL AS MINERS CMH ARCHITECTS AND OTHERS PCH DELEGATION WAS MET
SOVIET TRADE UNIONISTS CMH VISITED FACTORIES AND MADE TRIP TO
LENINGRAD PCH TSANKOV POINTED OUT THAT FOR OVER TWENTY YEARS
BULGARIAN WORKERS HAD STRUGGLED AGAINST DEPRIVATION OF RIGHTS
PCH FORMATION OF FATHERLAND FRONT GOVERNMENT TRADE UNION
MOVEMENT GREW RAPIDLY AND AT PRESENT INCLUDES OVER THREE HUNDRED
AND FIFTY THOUSAND PERSONS CMH WHICH IS MORE THAN ONE THIRD
OF ALL BULGARIAN WORKERS AND EMPLOYEES PCH ANSWERING QUESTION
WHETHER BULGARIAN COURTS WERE NOT TOO SEVERE WITH MEMBERS OF
FOREIGN GOVERNMENTS TSANKOV STATED THAT PEOPLE'S COURT WAS SEVERE
BUT JUST PCH HE DESCRIBED CRIMES COMMITTED BY PROHITLER GOVERNMENT

3060 MOSCOW 368-22 2359
PRESS SEC STATE WASHINGTON
16:25 TWENTY-SECOND PRESS FOR MAY TWENTIETH PUBLISHED ACCOUNT OF
PRESS CONFERENCE GIVEN BY BULGARIAN TRADE UNION DELEGATION IN
MOSCOW MAY NINETEEN PCH CONFERENCE WAS ATTENDED BY SOVIET AND
FOREIGN CORRESPONDENTS ACCORDING TO ACCOUNT CMH AND WAS ARRANGED
BY TRADE UNION NEWSPAPER TRUD PCH SUMMARY FOLLOWS PCH
BULGARIAN DELEGATION WAS HEADED BY GEORGI TSANKOV CMH GENERAL
SECRETARY OF GENERAL WORKERS TRADE UNION OF BULGARIA
CMH AND INCLUDED TEXTILE CMH RAILWAY AND STREETCAR WORKERS AS
WELL AS MINERS CMH ARCHITECTS AND OTHERS PCH DELEGATION WAS MET
BY TRADE UNIONISTS CMH VISITED FACTORIES AND MADE TRIP TO
LENINGRAD PCH TSANKOV POINTED OUT THAT FOR OVER TWENTY YEARS
BULGARIAN WORKERS HAD STRUGGLED AGAINST DEPRIVATION OF RIGHTS
PCH FORMATION OF FATHERLAND FRONT GOVERNMENT TRADE UNION
MOVEMENT GREW RAPIDLY AND AT PRESENT INCLUDES OVER THREE HUNDRED
AND FIFTY THOUSAND PERSONS CMH WHICH IS MORE THAN ONE THIRD
OF ALL BULGARIAN WORKERS AND EMPLOYEES PCH ANSWERING QUESTION
WHETHER BULGARIAN COURTS WERE NOT TOO SEVERE WITH MEMBERS OF
FOREIGN GOVERNMENTS TSANKOV STATED THAT PEOPLE'S COURT WAS SEVERE
BUT JUST PCH HE DESCRIBED CRIMES COMMITTED BY PROHITLER GOVERNMENT

Regraded Unclassified
INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

HI-142

Moscow via Army

Dated May 23, 1945

Rec'd. 11:45 a.m.

Secretary of State

Washington.

1907, May 23, 10 a.m.

PRAVDA for May 21 published long despatch dated

differed Cluj May 18 reporting Congress of Hungarian
National Union which according to despatch represents

600,000 persons.

Despatch quoted at length from speeches by Prime

Minister Groza and President of Hungarian Union,

Gyurfas. Speeches as quoted hailed Soviet Union as

liberator of both peoples from common enemy, Hitlorism,

which exploited Hungarian-Romanian ill feeling for its

own diabolical ends.

Statements of Gyurfas 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 Romanian Government

should undertake assurance of rights of nationalities in

Transylvania.

It is worthy of note that Groza in his speech asserted

SECRET

INCOMING

TELEGRAM

DIVISION OF

CENTRAL SERVICES

TELEGRAPH SECTION

WASHINGTON, D.C., May 31, 1945

Re: Department of State.

Subject: Soviet Scientists and Performances by Soviet Artists

Soviet scientists and performances by Soviet artists which is to be undertaken at invitation of Romanian Government.

Sent to Department as 1808; repeated to Bucharest as 74.

HARRIGAN

1063
INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

EP-1726

FLAK

Moscow

Dated May 27, 1945

Rec'd 9:48 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 Belgrad as ten.

HARRIGAN

UTD
INCOMING
TELEGRAM

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

150 MAY 23 AM 9 15
Moscow

PRESS SECSTATE WASHINGTON
1689 TWENTYSECOND FOLLOWING ITEMS REGARDING YUGOSLAV HYPERSON ALLIED
RELATIONS IN CONNECTION WITH TRIESTE CMM ISTRIA AND SLOVENIA;
LITTORAL APPEARED PROMINENTLY IN PRAVDA MAY TWENTYFIRST CMM
ONE PRD BELGRADE DESPATCH DATED MAY TWENTIETH HEADED GTG YUGO-
SLAVIA'S ANSWER TO ANGLO AMERICAN NOTE ENDITE PRD DESPATCH SUMMAR-
IZED BELGRADE RADIO BROADCAST OF YUGOSLAV NOTE WHICH IT SAID WAS
COACHED IN SPIRIT OF ALLIED COOPERATION PRD YUGOSLAV ARMY CMM
ACCORDING TO DESPATCH CMM WAS ASSESSSED TO HAVE EQUAL RIGHT
WITH ALLIED ARMIES TO REMAIN IN TERRITORY WHICH IT HAS LIBERATED IN
FIERCE BATTLES AND MOST OF POPULATION OF WHICH WAS YUGOSLAV
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 IS NO WAY PREJUDICED FINAL DISPOSITION OF THESE AREAS BY
PEACE CONFERENCE CMM SINCE YUGOSLAVIA WAS OPPOSED TO UNILATERAL
ANNEXATIONS PRD TWO PRD LONDON DESPATCH DATED MAY NINETEENTH
QUOTING FIELD MARSHAL ALEXANDER'S MESSAGE TO ALLIED ARMY FORCES
ACCORDING TO WHICH MARSHAL TITO WAS APPARENTLY SEEKING TO SECURE
HIS CLAIMS BY FORCE PRD QUOTATION INCLUDED STATEMENT COMPARING
TITO'S ACTIONS WITH THOSE OF HITLER CMM MUSSOLINI AND JAPANPRD
PRD THREE PRD BELGRADE DESPATCH DATED MAY TWENTIETH REPORTING THAT
TITO HAD REPLIED TO ALEXANDER'S MESSAGE IN STATEMENT SAYING THAT
SUCH A COMPROMISE COULD ONLY BE MADE TO ENEMY BUT NOT TO ALLY
WHICH HAD SUFFERED AND SNEEDED 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 PRD
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 GTG LONG LIVE
AUTONOMOUS TRIESTE AND DEMOCRATIC FEDERATED YUGOSLAVIA EMOTIE PRD
PRD SENT TO DEPARTMENT AS SIXTEEN EIGHTEEN SIXTEEN SEVENTEEN REPEATED TO
BELGRADE AS EIGHT

KENNAN
447/504P
INCOMING TELEGRAM

DATE: 1915

PLAIN

Moscow

Dated May 29, 1945
Read at 3:15 p.m.

Secretary of State,
Washington, D.C.
17th, Twenty-eighth.

Following brief Italian items detailed here May 28 appeared in Moscow press for May 27:

One. Report that Taglietti and Ianni had been arrested in northern Italy because they had despite prohibition of Allia and speeches and president at Pugliari meeting.

Two. Item: reporting Ianni'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 Pugliari carried brief items reporting that Taglietti and Ianni were expected to be in Rome on twenty-seventh and twenty-eighth respectively and announcing that early in June Florence and Rome would be turned over to Italian administration.

Sent to Department as 1984; reported to Moscow.

40.

REPLY:

BILBEE
INCOMING
TELEGRAM

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

RECEIVED
DIVISION OF
CENTRAL SERVICES

HMX-310

1945 MAY 24 AM 8 54

DO/L
LIAISON

SECRETARY OF
STATE
WASHINGTON

171B.

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 Hoto 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 171B, repeated to Belgrade as 0.

KENNAN

RS
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

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 command 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, as 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 reforms have been undertaken, and land division is now regarded as completed with over 4 million acres having been

B. Resettlement of Polish peasants on the left bank of the Oder, the area which is to be incorporated into Polish Silisia 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. Printed 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 Consent 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

Latin America
30. Russian press report on Mexican criticism of Padilla's position on Argentina at the San Francisco Conference.

United States
32. Russian press report on article by Mrs. Roosevelt criticizing anti-Russian sentiment in the U.S.
35. Russian press report on President Truman's statement on Lend Lease to the U.S.S.R.
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.


42. Russian press comment on Allied relations with regard to Germany, Poland and Yugoslavia.
SECRET

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

1945 MAY 24 AM 8 47

DOS-100  DC/L

PLIN
Moscow
Dated May 23, 1945
Read 0138 a.m.

Secretary of State,
Washington.

17th, Twenty-Third.

RED SHAR for May 22 published 8 inch critical
item entitled "successors to Goebbels in Swedish
newspapers." Item attacked newspaper AUFSTANDEN
for publishing report that Swedish Mission in Budapest
has been plundered by Russian troops. It suggested that
AUFSTANDEN was planning to take over Goebbels ruined
enterprise and carry it on in Sweden and ridiculed alleged
statement in AUFSTANDEN that Swedish demarche was
expected in Moscow.

Sent Department as 17th, repeated to Stockholm as
20.

REMK:

1945 MAY 24 AM 8 47

DOS-100  DC/L

PLIN
Moscow
Dated May 23, 1945
Read 0138 a.m.

Secretary of State,
Washington.

17th, Twenty-Third.

RED SHAR for May 22 published 8 inch critical
item entitled "successors to Goebbels in Swedish
newspapers." Item attacked newspaper AUFSTANDEN
for publishing report that Swedish Mission in Budapest
has been plundered by Russian troops. It suggested that
AUFSTANDEN was planning to take over Goebbels ruined
enterprise and carry it on in Sweden and ridiculed alleged
statement in AUFSTANDEN that Swedish demarche was
expected in Moscow.

Sent Department as 17th, repeated to Stockholm as
20.

REMK:
INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

DEPARTMENT
OF
STATE

DATE: May 31, 1948

To: Washington

From: Moscow

Subject: Swedish Material Appeared in Press

The following Swedish material appeared in press for May Twentieth and May Twenty-Eighth, and for one P.O. Section.

In Pravda International Review for May Twenty-Seventh, and for May Twenty-Eighth, a summary follows.

On May Twenty-Eighth, the foreign office of Sweden issued a statement that members of the German mission

who had been interned in Sweden were being freed and instructed to gather in appointed places

while others would be interned in Swedish hospitals.

As a result of the ever-increasing number of fascists in the Swedish press, the Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.

The Swedish government has taken measures to prevent the dissemination of fascist propaganda. A Swedish clampdown on fascists has been intensified.
SPECULATORS WHO NOW WISH TO HANG ON TO THEIR WEALTH ACQUIRED AT EXPENSE OF EUROPE Brought NO PROFIT TO SWEDISH PEOPLE AND NOT TO MOST STUPID SWEDISH REACTIONARIES NOW UNDERSTAND THIS BUT IT IS A LIE THAT THEY HELPED HITLERITE BANDITS AGAINST THEIR OWN WILL THIS IS CLEARER THAN EVER NOW WHEN SUBSTANTIAL PART OF SWEDISH PRESS CONTINUES UNSEEMLY PROFASCIST DANCE AND LONG AGO SWEDISH MAGAZINE USE PAINTED MOST VILE ARTICLE WITH AIM OF DEFAMING EVERYTHING DEAR AND SACRED TO SOVIET PEOPLE AND SWEDISH JOURNAL WISHED TO SERVE ITS PROTECTORS COMES THOSE CIRCLES WHICH DURING AND AFTER WAR NEGLECTED IT AS THEIR TASK TO HOW DISCORD AMONG ALLIES AND SET SWEDISH PEOPLE AGAINST SOVIET UNION PAD FASCIST JOURNALISTS ARE CONTINUING TO CARRY ON WAR AGAINST SOVIET UNION AND SWEDISH RULING CIRCLES CONTINUE TO MAINTAIN IN THIS RESPECT SAME GTE NEUTRALITY ENDEAV SEEM TO THEY PRACTICED DURING WAR PAD PAD NEWSPAPER WESTHOLANDS TIDING ENDT PUBLISHED SLANDEROUS ARTICLE ON RED ARMY AND GREAT NEWSPAPER AFTERTIDING FABRICATED CHARGE THAT RED ARMY PLENDAERED SWEDEN IN BUDAPEST PAD PAD NEWSPAPERS MOTTAININGEN AND ENDSREXEN HAVE REFERRED TO ENEMIES OF SOVIET UNION HIDING IN PAKES AND TO STUPID ARTICLES OF OSS CHM BUT IT IS NOT QUESTION OF STUPIDITY OF FASCIST MAGAZINE BUT OF ITS INTENTION TO CONTINUE AFTER THE WAR POLICY WHICH DURING WAR BRUGHT NEITHER BENEFIT NOR HONOR TO SWEDISH PEOPLE PAD IT IS ALSO NOT TRUE THAT ENEMIES OF SOVIET UNION ARE YET HIDDEN ENDUTE PAD THEY ACT OPENLY ENJOYING PROTECTION AND ENCOURAGEMENT PAD THIS PART OF PRESS IS DIRECTED BY HAND WHICH ACTED DURING WAR IN UNISON WITH HITLERITE GERMANY PAD THAT PART OF SWEDISH PRESS WHICH UNDERSTANDS H ARM DONE TO SWEDISH PEOPLE BY BLIND HATRED OF SOVIET UNION ACTS VERY TRESOLUTELY PAD ITS VOICE OF REASON AND HONOR IS BLOWN BY ANTISOViet ABUSER PAD PAD CAMPAIGN AGAINST SOVIET UNION IS CARRIED ON UNDER CUFE OF GTE EFREEDOM OF PRESS ENDS THE BUT HOW CAN PEOPLE WHO HELPFUL HITLERITE PRESS IN OCCUPIED EUROPE TALK OF FREEDOM OF PRESS WHEN PRESS IN OCCUPIED EUROPE TALK OF FREEDOM OF PRESS QUERY PAD SWEDEN WAS UNDER INFLUENCE OF GERMAN FASCISM TOO LONG PAD IT IS TIME TO UNDERSTAND THAT RED ARMY HAS DECISIVELY DEFEATED GERMANY CHM THAT SOVIET UNIONS GREAT DEMOCRATIC POWER AND THAT RED ARMY AND ALLIES HAVE ESTABLISHED CONDITIONS FOR PEACEFUL COEXISTENCE OF PEOPLES OUTSIDE PAD GERMANY SOME SWEDISH JOURNALISTS HAVE LOST THEIR CAPACITY TO DISTINGUISH BETWEEN REALITY AND POLITICAL BELIEF PAD PAD SWEDEN HAS TEMPORARILY EXCLUDED HERSELF FROM FREEDOM LOVING NATIONS BY HER POLICY WHICH DURING WAR BUT SWEDISH PEOPLE WISH TO ESTABLISH FRIENDLY RELATIONS WITH SOVIET UNION PAD portion OF SWEDISH PRESS WHICH CRITICIZES POLICY OF SWEDEN DURING WAR IS DOING WORK VALUABLE TO ITS PEOPLE PAD EFFORTS OF WIDOWS FASCISTS IN SWEDEN TO CONTINUE TO HOW DISCORD ARE BOTH DEHONORABLE AND ENIGELESS PAD IT IS TIME TO PUT AND END TO SUCH EFFORTS PAD PAD SENT TO DEPARTMENT AS 1946 AND REPORTED TO NATIONAL AS 94

HARRISON (JULY 30, 1946) IN /740P

Regraded Unclassified
INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES

TELEGRAPH SECTION

Stockholm via London

Dated May 26, 1940

PRESS SECSTATE WASHINGTON
STOCKHOLM, S 1940 TWENTY-FIFTH SWEDISH POLITICS_ TABLE OF CONTENTS_ SCANDINAVIA_ SOUTHERN EUROPE_ EASTERN EUROPE_ THE BALKANS_ THE U.S.S.R._ CENTRAL AND SOUTH AMERICA_ ASIA_ THE INDIAN SUBCONTINENT_ THE FAR EAST_ THE PACIFIC RIM_ AUSTRALIA AND NEW ZEALAND_ AFRICA_ THE MIDDLE EAST_ THE NORTH ATLANTIC_ INTERALLIED COMMISSARIATES_ WORLD WAR II_ POSTWAR RECONSTRUCTION_ ECONOMIC SERVICES_ SCIENTIFIC RESEARCH_ MARITIME AFFAIRS_ AIR TRANSPORTATION_同樣, スウェーデンの議会は、ソビエト連邦の攻撃についての情報に基づいて、内閣の議論に影響を及ぼす可能性があると懸念しています。また、スウェーデンの社会民主党は、この問題についての懸念を明らかにし、内閣の議論に影響を及ぼす可能性があると懸念しています。

1. The Swedes have already indicated that their party will not support a declaration of war.

2. The Swedes have already indicated that their party will not support a declaration of war.

3. The Swedes have already indicated that their party will not support a declaration of war.

4. The Swedes have already indicated that their party will not support a declaration of war.

5. The Swedes have already indicated that their party will not support a declaration of war.

6. The Swedes have already indicated that their party will not support a declaration of war.

7. The Swedes have already indicated that their party will not support a declaration of war.

8. The Swedes have already indicated that their party will not support a declaration of war.

9. The Swedes have already indicated that their party will not support a declaration of war.

10. The Swedes have already indicated that their party will not support a declaration of war.
WHEN HIS FIRM IS NOT PARA ABETANNE WAGTS SWEDES WONDERS
MY LEATHERS OF DEUTSCHE ARBEITSPRAXTIS AND GERMAN WOMEN'S ORGANI-
ZATION IN SWEDEN WERE AT THEIME AS LEGATION STAFF STOP
ABETARIEN AS WEIGH SWEDEN WILL BECOME PLACE FOR NAZISM
NEGATION PARA HANDELSTIDING ARE EXCLUDED AND ONG
NOUS SOVIET DEMANDS ARE OBVIOUSLY REASONABLE TO US ARTICLE ON STILL
OUR 850 BUT HANDELSTIDING LIKES THE EXPRESS DISAPPOINTMENT WITH
SWEDISH REPLY SEE OUR 85 STOP HANDELSTIDING REJECTED SOVIET CONFIG-
RATION DEMAND BUT TRANSMITTED DECLARATION BY OUR EDITION CONCERN-
ING PERIODICALS PAVILION POLICY STOP HANDELSTIDING WAVING SWEDISH
PRESS FREEDOM LAW DETERMINES THAT SWEDISH PAPERS MAY WRITE COM-
NOT ANY FOREIGN GOVERNMENT STOP SWEDISH COALITION CABINET MUST
NOW REGRET IT EVER ALLOWED FOREIGN INFLUENCE TO BE BROUGHT TO BEAR
ON SWEDISH PRESS STOP VAESTERBORG ALLEMANIA STATES ITS
REPORTED SWEDISH SUMMONED ONS EDITOR FREIBURG AND VIRTUALLY FOR-
CE HIM MAKE DECLARATION FOR ATTACHMENT TO REPLY TO MOSCOW STOP
FOREIGN MINISTERS OF JUGEND JUST AS GLARING WHETHER ITS
GERMAN OR SOVIET MINISTRATION WHO TRES INTIMATE HIM PARAGRAPHS
HANDELSTIDING REASSuring ANNOUNCEMENT SWEDEN WILL SEND DELEGATION
TO WARSAN TO NEGOTIATE COAL PURCHASES SEE OUR 8590 WANTS ANNOUNCE-
MENT IS SUSPENDING SINCE IT'S UNDERSTOOD POLICINE GOVERNMENT
LONDON ASSUMED CRITICAL ATTITUDE TOWARD PREVIOUS SWEDISH DISCUS-
SIONS OF MATTER STOP SWEDEN BUSINESSMAN HANDB WIDMEN WHO VI-
SUALLY MOSCOW FEW MONTHS AGO CONDUCTED NEGOTIATIONS THERE CON-
CEEDING SWEDISH POLICINE TRADE STOP SINCE THEN SWEDES SUGHT
SEENDED CONTACT WITH LUBLIN GOVERNMENT STOP SWEDISH GOVERNMENT
ATTITUDE IS THAT ITS UNRECOGNIZED EITHER LONDON OR LUBLIN GOV-
EMENTS AND THEREFORE PROTESTING TO LONDON INSTEAD OF LUBLIN GOV-
EMENT WHO SUPPORT LONDON POLES STOP SPEAKERS OF LUBLIN GOV-
EMENT AS SOME DESIGN OPINION THAT SWEDEN MIGHT SOON RECEIVE
POLISH COAL PROVIDED HOWEVER SWEDEN RECOGNIZES LUBLIN
GOVERNMENT STOP IT ALLEGED LONDON POLES HAVE PROTESTED AGAINST
SWEDISH COAL NEGOTIATIONS BUT NEITHER SWEDISH TO NOR POLISH
LEGATION STOCKHOLM HAVE ANY WORD OF THIS STOP FOREIGN OFFICE
ENQUIRED HANDELSTIDING IT HOPED BRITAIN USA WOULD UNDERSTAND
SWEDEN'S DISTRESSED POSITION WHICH COMBINES COUNTRY SOMEHOW ATTEMPT
TO SECURE COAL AS SWEDEN INDUSTRY TRADE WOULD OTHERWISE LACK
UNDER GREAT DIFFICULTIES DURING COMING WINTER AND SWEDEN'S POSS-
IBILITIES FOR EXPORTING PRODUCTS ESSENTIAL TO WORLD TRADE WOULD BE
REDUCED PARAGRAPH COMMEN MICALS OF STANDARD OIL NOW VISITING
SWEDEN TELLS MOTORIST JOURNAL MOTOR THAT ALTHOUGH SWEDEN CAN'T
COUNT ON PEACEFUL QUOTA OF LIQUID FUEL BEFORE
POSSIBILITY ALREADY EXISTS FOR SWEDEN OBTAINING REASONABLE MIN-
IMUM STOP MICALS STATES THERE IS CONSIDERABLE UNDERSTANDING IN
WASHINGTON LONDON OF SWEDEN'S REQUIREMENTS FUEL AND LUBRICANTS AND
ALLED GOVERNMENTS APPARENTLY TRYING DRAFT PROGRAM WHEREBY OIL
SECRETARY OF STATE,
Washington.

1935, Twenty-Third.

PreVDA for May 21 published dispatch datelined Copenhagen May 19 reporting arrival of Christian Hoeller and other Danish Cabinet officers on BONNHOLM. Text of Hoeller'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 that announcement that new Danish Government has requested exchange of ministers and asked for Soviet agreement to appointment of Deensing as Danish Minister. Soviet Government on May 16 informed Danes that it views proposal as "confirmation 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 Department as 1703, repeated to Copenhagen unnumbered and Stockholm as 22.

KEHNAK

Regraded Unclassified
INCOMING
TELEGRAM

DEPARTMENT
OF STATE

DlVlSlON OF
CENTRAL SERVICES
TELEGRAPH SECTION

Plain

INCOMING
TELEGRAM

Main

May 27, 1945

Moscow

Re: 1716

MAY 27, 1945

Regraded Unclassified
Secretary of State,  
Washington.

1945, 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 exist leader Pegrelle.  

Two. New York despatch reporting U.S. story from Rio  
de Janeiro according to which Catholic Bishop of Ate of  
Mauri Carlos Duarte has given interview in which he  
criticized "Fascist tendencies of Roman Catholic Clergy".  
Duarte reportedly accused Pavel Huncio 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 Padiellas support at  
San Francisco Conference for inviting Argentina. Despatch  
refers
-8- #1861, Thirty-first, from Moscow via Army.

refers to criticism of Padilla by Lombardo Toledano and to statement by Committ 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 Argentine and Uruguayan democratic leaders published in DIARIO POPULAR 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 Argentine. 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

WFS
1925 May 31 at 9 16

EX-578

FLIN

Moscow via War

Dated May 30, 1945

Read 1:30 p.m.

Secretary of State,

Washington.

1807, Thirtieth.

Following Spanish and Latin American items appeared in press for May 30 and 31:

One. Dispatch dated May 27 citing newspaper UNTA to effect that Mussolini's former ambassador to Berlin, A. V. A. had arrived by airplane in Spain. Item quotes UNTA'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 STIR and by radio commentators Sergio and Presideting.

Three. Dispatch from London dated May 28 quoting demand of newspaper STIR that Franco regime be outlawed. STIR was quoted to effect that allies could not remain passive as long as Franco continued to threaten peace in Europe.


Five. Mexico City dispatch dated May 28 reporting and quoting from resolution of protest of Mexican confederation of Labor against increasing activity of Anarchists.

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 Mexico 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.

UNUSUAL
SECRETARY OF STATE,  
WASHINGTON,  
1602, Thirtieth  

Following American items appeared in Moscow press  
for May 30th:  

One. Dispatch reporting publication by American  
newspapers of article by Eleanor Roosevelt reportedly  
criticizing efforts of certain circles to arouse fear  
of Soviet Union. Dispatch 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 these stories. Quotation con- 
cludes with Mrs Roosevelt's opinion that sole assurance  
of establishing
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.

UNSIGNED

EDO
INCOMING
TELEGRAM
DIVISION OF CENTRAL SERVICES
TELEGRAPH SECTION

SECRETARY OF STATE
WASHINGTON

1809, Thirtieth
PRAVDA for May 27 published on page three Washington dispatch dated May 29 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 revolutionaries to provoke friction between United States and Soviet Union which menaced peace. Dispatch 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 become 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.

MESSAGE DESIGNED

-2-1909, 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.

WPS
INCOMING TELEGRAM

DEPARTMENT
OF STATE

INCOMING TELEGRAM
DIVISION OF CENTRAL SERVICES
TELEGRAPH SECTION

J351-1014

MOSCOW via CEC

Dated May 25, 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 Mr. Hopkins and Ambassador Harriman.

Mr. Davis' arrival in London was reported in news item.

II. IV. IV. special correspondent Shukov 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 abandonment of Roosevelt's foreign policy is possible.

KFP
INCOMING TELEGRAM

Plain
Moscow via War
Dated May 27, 1945
Read 3 p.m.

Secretary of State
Washington

1976, twenty-seventh

Press of twenty-fifth 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

BR

Regraded Unclassified
INCOMING
TELEGRAM

SECRET

DIVISION OF
CENTRAL SERVICES

SECRET

1945 MAY 25

JUN 9 14

DO/A
LIAISON

Secretary of State,
Washington.

1945, 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 faced 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 ship-

ments 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.
#748, Twenty-fifth, from Moscow via Har

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
INCOMING TELEGRAM

DEPARTMENT OF STATE
RT-1721

INCOMING TELEGRAM FLAIR

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

Moscow

Date: May 27, 1945

TO: DC/A

From: Liaison Office

PUS VIA PREVI

3005 MOSCOW 1405/1404 28 0107

PRESS SECSTATE WASHINGTON

1773 TWENTYSEVENTH ON MAYMONT WENTY-SIXTH COMMA ANNIVERSARY OF SIGNING OF AMERICAN ALLIANCE COMMA FOLLOWING BRITISH MATERIALS APPEAR IN PRAVDA COMMA PARAGRAPH ONE FRONT PAGE CARRIES EXCHANGE OF TELEGRAMS BETWEEN NOLOT 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 AMERICAN SOVIET COLLABORATION IN FUTURE PARAGRAPH TWO FOREIGN PAGE CARRIES TWO COLUMN ARTICLE BY D. ZASLAVSKI ENTIRED QUOTE CONCERNING THOSE WHOM IS UNABLE TO UNDERSTAND AND THOSE WHO DO NOT WISH TO ACKNOWLEDGE UNQUOTE PERIOD SUMMARY FOLLOWS COMMA ENGLISH NEWSPAPER YORKSHIRE POST COMMA DISTRESSED BY DISAGREEMENTS WHICH ARE ARISING AMONG ALLIES ON VARIOUS QUESTIONS COMMA SEeks MEANS FOR ELIMINATION OF THESE DISAGREEMENTS PERIOD NEWSPAPER WRITES COMMA QUOTE SINCE THE DESIRE FOR MUTUAL UNDERSTANDING DEFINITELY EXISTS IN ENGLAND PERIOD IF COMMON SPITE OF THIS COMMA MISUNDERSTANDINGS ARISE COMMA THEN THEIR CAUSE MUST NOT 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 LEBIN COMMA IN REVERSE OF PETES THE GREATS POLICY OF APPROACHING COMMA 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 CHEAT FULL POSSIBILITY FOR MUTUAL UN...
NO UNHARMLESS IN FIGHT AGAINST FASCISM WE ARE AFRAID COMMA

However Commie that English newspaper detach's 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 convention quote east. Unquote period there is no scientific foundation for idea of quote reverse character unquote of policy of twentieth century in relation to policy of seventh century in Russian history. Period contrast in quote western unquote and quote eastern unquote methods is equally groundless period Yorkishyse post assumes that Russians are displaying quote insufficient understanding of western methods playing quote insufficient understanding of western methods period but we sufficiently familiar with various quote methods period for example, commie before war-ruling quote western methods unquote of English 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 which has received its expression in English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.

Period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization. paragraph what quote western methods unquote of English foreign policy is English news media talking about quote western method period this quote western method unquote led to catastrophic powers period this quote western method unquote led to victory over Hitler's Germany commie and militant operation of Red Army on eastern front played decisive role in salvation of European civilization.
DECLARED THAT ALLIANCE WITH SOVIET PEOPLE WAS NECESSARY AT TIME WHEN DANGER THREATENED ENGLAND PERIOD NOW THIS DANGER HAS PASSED AND ALLIANCE IS NO LONGER NECESSARY PERIOD ON CONTRARY COMMUNISM ENGLAND IS SUPPORTED 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 COALITION IS HATEFUL TO REACTIONARY AUSTRALIAN NEWSPAPER PERIOD IT DOES NOT WISH TO ACKNOWLEDGE FACT THAT SOVIET UNION IS MIGHTIER DEMOCRATIC POWER PERIOD THERE WAS TIME WHEN CERTAIN PEOPLE DID NOT WISH TO ACKNOWLEDGE THAT EARTH REVOLVES AROUND SUN. NEITHER DID SOVIET PEOPLE PERIOD NOW THEY RECOGNIZE THE SUPERIORITY OF RED ARMY OVER GERMAN ARMED FORCES PERIOD BUT IT HAD TO BE ACKNOWLEDGED PERIOD AMERICAN HEART 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 PERIOD QUOTE THIS MUST BE ACKNOWLEDGED PERIOD THE SOURCE OF OUR FRIENDS AND OUR FOES UNDERSTAND IT COMMA THE BETTER IT WILL BE FOR ALL HUMANITY UNQUOTE PERIOD REPEATED TO LONDON AS 225

HARRIMAN

MAY 27, 1945
INCOMING
TELEGRAM
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

PM13 VIA PREVI
MOSCOW 3102 204 RTP 30 2050
PRESS SECESTATE WASHINGTON
1900 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 PRO-
BASESY TRANSLATION OF ANNOUNCEMENT FOLLOWS CLN PCN AT INVIT-
ATION OF THE PATRIARCH OF ALEXANDRIA MOST BLESSED CHRISTOPHER
CM THE PATRIARCH OF JERUSALEM MOST BLESSED TIMOTHY CHM THE
PATRIARCH OF ANTIOCH AND ALL THE EAST CHM MOST BLESSED ALEXANDER
THIRD A CHURCH DELEGATION CONSISTING OF TWELVE PERSONS HEADED
BY THE PATRIARCH OF MOSCOW AND ALL RUSSIA MOST HOLY ALEXEI
DEPARTED FROM MOSCOW ON MAY TWENTY-EIGHTH FOR RETURN VISITS TO
CAIRO CHM JERUSALEM CHM ALEXANDRIA CHM DAMASCUS AND BEIRUT CHM
THE FOLLOWING ARE INCLUDED IN THE DELEGATION ACCOMPANYING
THE PATRIARCH CLN METROPOLITAN KRITSKII NIKOLAI CHM ARCHBISHOP
OF TULA AND BELEV CHM VITALI SHN ARCHPRIEST NIKOLAI KOLCHITSKI
AND OTHER CHURCHMEN AND ECCLESIASTICS PRD PCN METROPOLITAN
KRITSKII NIKOLAI CHM ACCOMPANIED BY ARCHPRIEST NIKOLAI KOLCHITSKI
AND PRIEST IUVENALI WILL GO FROM CAIRO TO LONDON AT
THE INVITATION OF THE ARCHBISHOP OF CANTERBURY AND WILL RETURN
THE ARCHBISHOP OF YOURS VISIT TO THE MOSCOW PATRIARCHATE PRD
PCN SENT TO DEPARTMENT AS 1900 CHM REPEATED TO JERUSALEM
TO CAIRO AS SIXTYFIVE SHN BEIRUT AND LONDON AS 229
HARRIMAN
RL/610P
(MAY 30, 1945)

Regraded Unclassified
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow (via War)
TO: Secretary of State, Washington
DATE: May 21, 1945
NUMBER: 1289

CONFIDENTIAL

A lecture on "the war in the Pacific Ocean" was given to approximately one hundred people in Moscow Polytechnic Museum by Colonel Tolshenov, leading Soviet military commentator, on May 20. You are referred to Nehas's cable No. 4356 of November 10, 1944. Tolshenov 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 next. 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 been raised by recent developments, 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. 138 to Washington.)

The May 20 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 Tolshenov said that Japanese marines' spirit remained unbroken (as indicated at Okinawa and elsewhere), that enormous difficulties are faced by the Allies in connection with carrying out operations 3,000 kilometers from United States' west coast, that the army of Japan is still approximately 4,000,000 men (which could be raised to 6,000,000 or 8,000,000), and that while the Japanese losses were large, they are small portion of entire
of entire armed forces. The Allies' lack of good bases was especially stressed by Tolmachev. He said that China was no England and that China would be far better base but only future would reveal whether it would be used by Allies.

Tolmachev 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 failure of all mention of Japanese plans for aggression against the Soviet or for world domination by Tolmachev 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 so often comprised the larger part of the lecture, the battle for the Solomons (which he believed was turning point of Pacific war) was given particular attention. The facts which he outlined concerning the campaign of Milne and Anacortes 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 Tolmachev 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", Tolmachev 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. Tolmachev 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. Tolmachev said, however, that the Japanese program of decentralizing industry must be taken into account. Tolmachev stated that appreciable damage had resulted in Chinese battles 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 Tolmachev's failure to reply to political questions. The statement that it was very bad that Tolmachev had not replied to more questions was made by one NDV 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 Tolmachev. Tolmachev stated that whether the Allies would rely on bombing and blockades 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 Tolmachev that the Allies would realize still greater preponderance of strength by waiting... for all these forces to be concentrated, but that they would lose a "tempo" by following such procedure.
SECRETARY OF STATE,
WASHINGTON.

1945, Thirty
Following items regarding arrests or trials of collaborationists appeared in press for May 30.

One. Belgrade dispatch reporting arrest of Sandisch, former Prime Minister under Pavelic, and others.

Two. Paris dispatch 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 Queslings trial.


Items were also published reporting work of Finnish commission investigating atrocities committed in state police during war and demand by University of Paris students for execution of Petain.

UNCLASSIFIED
CONFIDENTIAL

A brief digest of NAIL 2010-1503 Class No. 10 issued May 20, 1945

follows:

1. An editorial entitled the great victory.

Following the claim that the efficacy of Anglo-Soviet-American coalition in guaranteeing security for small and medium nations and the great role and importance of Soviet Union as leader of civilization of Europe from Fascist invaders have been demonstrated by the course and outcome of the war, the article states that victory over Germany now remains to be consolidated by the establishment of an effective International Security Organization and:

1. 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 proves to be a real threat to its spirit and if major victor powers work in spirit to accord based on mutual respect and understanding for mutual interests, struggle to express and avert aggression by Germany will succeed. The theme that ultimate destruction 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,
Regraded Unclassified
reconsideration, providing a settlement for Poland desired by our, paying of all types of nations, and elimination of Fascist elements from political life, a notice to end of present parties with extreme right-wing and extreme left-wing. The current threat of new occupation in capitalist nations is given special attention. The fact that sooner or later the threat is connected inevitability with propens to development of political and economic collaboration among countries is pointed out. Reference is made to sympathy of the Soviet for the people of colonial countries in their fight for their freedom and independence and to the article.

3. Author of the Main Report of Germany is military editor of Radio, Major General L. Balshchikov.

This is a sympathetic policy of the American war. Constitution of colonial Alliance is systematically cultivated and the Red army is given credit for playing an overwhelming military role in German's defeat. A good illustration of the general theme of raiding and the following version of the final years of war: leukemia the Red war alliance against Germany when German resistance was weakened in the west, after Germany had been led into trap by two arms. Before German all their forces against the Soviet troops, the Germans formally agreed resistance in the west. We will rely in these circumstances until the third version time, one Polish and two time American. A defensible of unconditional surrender was signed among us.

3. Author of the Main Report Poland has contributed position article to and ALL THE NORMAL UNIX on radio.

Concerning the Polish question, this is an authoritative recitation of views of Soviet. In embargo the key of world in 1943 a complete victory in

...
given.

4. A specialist on Italy for WAR AND THE ECONOMY CIRCUS, 5, Globokolot has outlined Italy after liberation.

Italian political situation before Italy's complete liberation is described in terms of struggle of reactionary pre-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, Globokolot 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 prevailing balance of political forces, he then argues, and banishes all possibility of justifying further postponement of radical reforms along lines of those which the Wharton of liberation delegation from liberated northern Italy proposed to the Rome Government. However, Globokolot 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.

S. L. Velytsky (well-known political consultant and specialist on France) our originals will not be reproduced.

A condensation and description, based on materials taken from American and British
and British press, of differential treatment which representatives of press and Allied Commissions separately accorded to outstanding captured Nazi leaders and German generals. Author terms this behavior as an outrage to memory of countless victims of Nazism and concludes that severe punishment of these criminals is condition and guarantee of genuine security and peace.

6. Remarks from international life.

German Fascist circles represented by Otto Strasser, and Otto Strasser are accused of schemes to restore German imperialism and prepare for world war three. Newspapers of Allied are satisfactorily cooled for endeavoring to interview such perverts as Hess and level, it is said should not be interviewed but should be tried and punished. Sweden is criticized for lenient treatment of German agent Leifgren and Penal at recent trial in Stockholm. Mourning of Portuguese for Hitler is turned one more proof that there is no limit to leftist Fascist chauvinist silences. In Iran concluding with query as to why this Fascist agency is given refuge in London, General Foch and his associates on Czech National Committee in London are encouraged. Endeavors of German diplomat in Italy and in Sweden to change occupations and remain undetected are brought to light. The services of the bride to Germany during the war are called to mind.


Convents 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 Latin American and cites letter from Argentina which did not support decision to invite Argentina were the very ones, with whom, through them and by them peace will

peace will have to be maintained when it is made.

D. O. Beagle's dangerous conception.

A plan for an American 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 Fascist reclamation propounded by the desire to revive certain unstable against U.S.A. 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 fact.

It is said that all such plans are incompatible with security of people of Europe and with maintaining peace in European continent.