PSF Crimea Conference - 1945 - Subject File Box 142

PSF
Box 142

2/29/60

Memo for Files — 1

for Harriman testimony on Yalta (Crimea) Conference see
OF 4675, Crimea
or PPF 6207, Harriman

R. Jacoby
Archivist

PUBLISHED IN FOREIGN RELATIONS OF THE UNITED STATES

THE CONFERENCES AT
MALTA AND YALTA pp. 22-23

S. C. Form No. 7
(Revised AGo. 1942)

PSF: Crimea folder

Signal Corps, United States Army

3-45

Received at

TOP SECRET

MR-OUT-703: 27 DECEMBER 1944.

TO THE PRESIDENT FROM HARRIMAN:

I TOLD MOLOTOV THIS AFTERNOON THAT I HAD RECEIVED WORD FROM YOU THAT IF MARSHAL STALIN COULD NOT COME TO THE MEDITERRANEAN YOU WERE PREPARED TO COME TO THE BLACK SEA. I EMPHASIZED THE DIFFICULTIES THAT THIS DECISION MADE FOR YOU BUT THAT IN CONSIDERATION OF MARSHAL STALIN'S HEALTH YOU WERE PREPARED TO FACE THEM. WE DISCUSSED IN DETAIL THE ARRANGEMENTS FOR THE HOLDING OF THE MEETING AT YALTA WITH YOUR SHIP AT SEVASTOPOL. MOLOTOV SAID HE WOULD DISCUSS THE QUESTIONS WITH MARSHAL STALIN AND GET IN TOUCH WITH ME TOMORROW. IT WAS AGREED THAT I AND APPROPRIATE MEMBERS OF THE MILITARY MISSION SHOULD GO TO THE PLACE OF THE MEETING AFTER PRELIMINARY ARRANGEMENTS HAVE BEEN MADE. IT WOULD BE HELPFUL IF I COULD BE INFORMED OF THE NAMES OF THE PRINCIPAL MEMBERS OF YOUR PARTY AND THE NUMBER AND CHARACTER OF THE BALANCE OF THE PARTY SO THAT SUITABLE ARRANGEMENTS CAN BE MADE FOR THEIR ACCOMODATION. AS HOTELS AND SANATORIA WERE STRIPPED OF THEIR

GD-7103

~~TOP SECRET~~

S. C. Form No. 7
(Revised Aug. 1942)

Signal Corps, United States Army

Received at

TOP SECRET

FURNITURE THE RUSSIANS WILL HAVE TO MAKE EXTENSIVE PREPARATIONS. IF YOU ARE TO BE ACCOMPANIED BY THE CHIEFS OF STAFF WOULD YOU WISH ME TO DISCUSS WITH MARSHAL STALIN HIS BRINGING THEIR OPPOSITE NUMBERS OF THE RUSSIAN STAFF. I FEEL THIS WOULD BE HELPFUL IN THE ESTABLISHMENT OF RELATIONSHIPS USEFUL IN FUTURE DISCUSSIONS. IN ADDITION I HAVE FOUND THAT MARSHAL STALIN HAS SOMETIMES GIVEN HIS AGREEMENT ON MILITARY PROPOSALS WHICH HE HAS NOT FULLY STUDIED AND SUBSEQUENTLY REVERSED THEM AFTER CONSULTING HIS STAFF. THE PRESENCE OF MEMBERS OF HIS STAFF WOULD I BELIEVE THEREFORE CONTRIBUTE TO DEFINITE DECISIONS. MOLOTOV ASKED FOR THE APPROXIMATE DATE WHEN YOU EXPECTED TO ARRIVE IN THE CRIMEA. I EXPLAINED THAT THE PRIME MINISTER HAD AGREED TO GO WHEREVER YOU DECIDED AND THEREFORE I SUGGESTED THAT THE MARSHAL NOT COMMUNICATE WITH MR. CHURCHILL UNTIL YOU HAD HAD A CHANCE TO DO SO AFTER WHICH I PRESUMED MARSHAL STALIN WOULD WISH TO EXTEND HIM AN INVITATION. I DID THIS AS I DO NOT KNOW HOW FAR YOU HAVE KEPT THE PRIME MINISTER INFORMED OF THE RECENT DEVELOPMENTS. I WOULD APPRECIATE ADVICE ON THIS POINT.

~~TOP SECRET~~

S. C. Form No. 7
(Revised Aug. 1942)

Signal Corps, United States Army

Received at

TOP SECRET

IN ORDER THAT WE CAN MAKE ARRANGEMENTS AT SEVASTOPOL, IT WOULD BE HELPFUL TO HAVE ADVICE AS TO THE CHARACTER AND NUMBER OF NAVAL VESSELS FOR WHICH PROVISION SHOULD BE MADE. ALSO THE APPROXIMATE NUMBER OF AIRPLANES WHICH WILL BRING YOUR PARTY. IN ADDITION THE CHARACTER OF THE MAIL PLANES AND FROM WHERE THEY WOULD FLY.

NO SIG.

RECEIVED

RADIO STATION WTE SIG. CORPS. U.S.A.

DEC 27 1944 PM

4D—7103

~~TOP SECRET~~

PUBLISHED IN FOREIGN RELATIONS OF THE UNITED STATES

THE CONFERENCES AT MALTA
AND YALTA 1945. PP. 63-64

Form No. 7
(Revised Aug. 1942)

PSF. Crimea folder - 3-45

Signal Corps, United States Army

Received at

~~TOP SECRET~~

MR-OUT-702

DECEMBER 27, 1944

FOR THE PRESIDENT FROM STALIN.

ON DECEMBER 14 I HAVE RECEIVED FROM MR. HARRIMAN YOUR MESSAGE. I FULLY SHARE YOUR OPINION THAT PRIOR TO CONVOCATION OF A GENERAL CONFERENCE OF THE UNITED NATIONS ON THE QUESTION OF ESTABLISHMENT OF AN INTERNATIONAL ORGANIZATION WE SHOULD AGREE UPON THE PRINCIPAL QUESTIONS NOT AGREED UPON IN THE COURSE OF THE DUMBARTON OAKS CONVERSATIONS AND, IN THE FIRST PLACE, ON THEQUESTION OF PROCEDURE OF VOTING IN THE SECURITY COUNCIL. I HAVE TO REMIND YOU THAT IN THE ORIGINAL AMERICAN DRAFT WAS SPECIALLY MARKED THE NECESSITY TO WORK OUT SPECIAL RULES IN REGARD TO THE PROCEDURE OF VOTING IN CASE OF A DISPUTE WHICH INVOLVES DIRECTLY ONE OR SEVERAL PERMANENT MEMBERS OF THE COUNCIL. IN THE BRITISH DRAFT IT WAS ALSO STATED THAT THE GENERAL ORDER OF SETTLEMENT OF DISPUTES BETWEEN GREAT POWERS, SHOULD SUCH DISPUTES ARISE, MAY PROVE UNFIT.

IN THIS CONNECTION THE FIRST AND SECOND POINTS OF YOUR PROPOSAL MEET WITH NO OBJECTIONS AND CAN BE ACCEPTED, BEARING IN MIND THAT

GD-7103

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Form No. 7
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Signal Corps, United States Army

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POINT TWO DEALS WITH PROCEDURE QUESTIONS MENTIONED IN CHAPTER 6 SUBDIVISION D.

AS REGARDS POINT THREE OF YOUR PROPOSAL I HAVE, TO MY REGRET, TO INFORM YOU THAT WITH THE PROPOSED BY YOU WORDING OF THIS POINT I SEE NO POSSIBILITY OF AGREEING. AS YOU YOURSELF ADMIT THE PRINCIPLE OF UNANIMITY OF PERMANENT MEMBERS IS NECESSARY IN ALL DECISIONS OF THE COUNCIL IN REGARD TO DETERMINATION OF A THREAT TO PEACE AS WELL AS IN RESPECT TO MEASURES OF ELIMINATION OF SUCH A THREAT OR FOR SUPPRESSION OF AGGRESSION OR OTHER VIOLATIONS OF PEACE. UNDOUBTEDLY, THAT WHEN DECISIONS ON QUESTIONS OF SUCH A NATURE ARE MADE THERE MUST BE FULL AGREEMENT OF POWERS WHICH ARE PERMANENT MEMBERS OF THE COUNCIL BEARING UPON THEMSELVES THE MAIN RESPONSIBILITY FOR MAINTENANCE OF PEACE AND SECURITY.

IT GOES WITHOUT SAYING THAT THE ATTEMPT TO PREVENT, ON A CERTAIN STAGE, ONE OR SEVERAL PERMANENT MEMBERS OF THE COUNCIL FROM PARTICIPATING IN VOTING ON SAID QUESTIONS, AND THEORETICALLY IT IS POSSIBLE

~~TOP SECRET~~

Form No. 7
(Revised Aug. 1942)

Signal Corps, United States Army

Received at

TOP SECRET

TO ASSUME ALSO A CASE WHEN THE MAJORITY OF PERMANENT MEMBERS WILL FIND THEMSELVES PREVENTED FROM PARTICIPATION IN MAKING DECISIONS ON A QUESTION, CAN HAVE FATAL CONSEQUENCES FOR THE CAUSE OF PRESERVATION OF INTERNATIONAL SECURITY. SUCH A SITUATION IS IN CONTRADICTION WITH THE PRINCIPLE OF AGREEMENT AND UNANIMITY OF DECISIONS OF THE FOUR LEADING POWERS AND CAN LEAD TO A SITUATION WHEN SOME GREAT POWERS ARE PUT IN OPPOSITION TO OTHER GREAT POWERS AND THIS MAY UNDERMINE THE CAUSE OF UNIVERSAL SECURITY. IN PREVENTION OF THIS SMALL COUNTRIES ARE INTERESTED NOT LESS THAN GREAT POWERS SINCE A SPLIT AMONG GREAT POWERS, UNITED FOR TASKS OF MAINTENANCE OF PEACE AND SECURITY FOR ALL PEACE LOVING COUNTRIES IS PREGNANT WITH THE MOST DANGEROUS CONSEQUENCES FOR ALL THESE NATIONS.

THEREFORE I HAVE TO INSIST ON OUR FORMER POSITION ON THE QUESTION OF VOTING IN THE SECURITY COUNCIL. THIS POSITION, AS IT SEEMS TO ME, WILL PROVIDE THE NEW INTERNATIONAL ORGANIZATION WITH THE UNANIMITY OF FOUR POWERS, CONTRIBUTING TO AVOIDING OF ATTEMPTS TO PUT CERTAIN POWERS

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Form No. 7
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Signal Corps, United States Army

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IN OPPOSITION TO OTHER GREAT POWERS WHICH (UNANIMITY) IS NECESSARY FOR THEIR JOINT FIGHT AGAINST AGGRESSION IN THE FUTURE. NATURALLY, SUCH A SITUATION WOULD SECURE THE INTERESTS OF SMALL NATIONS IN THE CAUSE OF PRESERVATION OF THEIR SECURITY AND WOULD CORRESPOND TO THE INTERESTS OF UNIVERSAL PEACE.

I HOPE THAT YOU WILL ESTIMATE THE IMPORTANCE OF THE ABOVE STATED VIEWS IN FAVOR OF THE PRINCIPLE OF UNANIMITY OF DECISIONS OF THE FOUR LEADING POWERS AND THAT WE SHALL FIND AN AGREED UPON DECISION OF THIS QUESTION AS WELL AS CERTAIN OTHER QUESTIONS WHICH REMAIN STILL UNSOLVED. ON THE BASIS OF SUCH AN AGREED UPON DECISION OUR REPRESENTATIVES COULD WORK OUT A FULL DRAFT ON THIS QUESTION AND DISCUSS THE MEASURES NECESSARY FOR AN EARLY CONVOCATION OF A GENERAL CONFERENCE OF THE UNITED NATIONS.

NO SIG.

RECEIVED DEC 27 1944 SIG. CORPS. U.S.A. RADIO STATION

GP-7103

~~TOP SECRET~~

PSF: Crimea Conference folder file
3-45

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

DEPARTMENT OF STATE
WASHINGTON

January 17, 1945

The Honorable Franklin D. Roosevelt
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

I have given much thought to your inquiry as to what you might say to King Ibn Saud in an effort to bring about a rapprochement to the Palestine problem.

You must be warned in the first instance that Ibn Saud both personally and as a political matter feels very intensely about this subject. He has refused to date any suggestions emanating from emissaries of the United States that there might be some middle ground on this issue. Only recently he threatened in the presence of one of my people to see to the execution of any Jew that might seek to enter his dominion. One of his most important advisers, Sheik Izzidine Shawa, is a Palestinian Arab who spent his early life fighting the Jewish movement in Palestine and his later years in fleeing from the British because of these activities. Politically Ibn Saud represents the Moslem sect that is the spearhead of the true pan-Islam movement and that is unwilling to have any dealings with Infidels, not to say Jews. Indeed of recent years Ibn Saud has had to defend against increasing hostility his actions in being friendly with Christians and admitting them into the country.

I say this by way of introduction to indicate that no suggestion of yours with regard to Palestine that does not go to the root of the matter is likely to advance very far. For that very reason it may be wise for you to avoid the issue as much as possible unless

FOR VICTORY BUY UNITED STATES DEFENSE BONDS AND STAMPS

you are prepared to make some far-reaching proposals. You will, of course, know best as to whether you are prepared to make such proposals. From my observations I do not believe that the State Department is yet prepared to do so. It does not seem to have concentrated on the possible solutions there are to this question and explored them, as it should in the first instance with some of the outstanding trustworthy Jews. A vacillating policy with reference to Zionism, as the past twenty years have proved, is the equivalent of no policy.

An approach to this problem must start from an insistence that the objective of the Jewish Commonwealth or the Jewish State as distinguished from the Jewish National Home must be given up. The political objective implicit in the Jewish State idea will never be accepted by the Arab nations and is not consistent with the principles of the Atlantic Charter. Nor is it demanded by the Mandate or the Balfour Declaration. But given an adequate conception of the Jewish National Home together with the political limitations that must be placed on that conception, it should be possible to sell that conception to the Jews and to the Arabs as well. The one great stumbling block is the question of immigration. That question at the present possesses a significance that it should not possess because of its relationship to the political as distinguished from the economic future of Palestine. In other words, if the extent of immigration can be related to the economic absorptive capacity of Palestine rather than to the political issue of a Jewish minority or majority, there is a hope of striking an acceptable compromise even on the immigration question with the Arabs. This is particularly true now for I believe that the economic absorptive capacity of Palestine has been grossly exaggerated.

Finally, Palestinian policy must become an international responsibility. The British cannot be asked to carry it alone, nor can a steadfast policy be set and adhered to without whole-hearted Russian support. Without that support rifts will immediately appear of which discontented Arabs or Jews will avail themselves and vacillation among the Great Powers will once again occur.

I have not tried to give you an essay on this issue or to do other than forward general suggestions as I believed you wanted only general ideas at this time. I hope they may be of some use to you. I envy you your trip to that area and only wish you had some need for someone to carry your seventeenth brief-case.

With every hope and every wish,

Sincerely yours,

James M. Landis

PUBLISHED IN FOREIGN RELATIONS OF THE UNITED STATES

THE CONFERENCES AT MALTA
AND YALTA 1945. pp. 42 -43

PSF: Crimea Conf folder 3-45

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~~TOP SECRET~~

file confidential

DEPARTMENT OF STATE
WASHINGTON

January 18, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: Political matters for discussion at the forthcoming meeting

For your convenience I am attaching hereto an extra copy of the memorandum that I left with you in the black binder this morning covering the ten points which the State Department hopes can be satisfactorily dealt with in the forthcoming discussions.

E R Stettinius Jr

SECRET

Political Matters for Discussion at the Forthcoming Meeting

1. Soviet-British agreement to compromise on the voting procedure of the Security Council along the lines of the United States proposal.

2. Soviet-British agreement to the proposed establishment of an emergency European high commission composed of the United States, Great Britain, the Soviet Union and France.

3. Soviet participation in working out a common allied political program for liberated Europe on the basis of which the emergency high commission would operate.

4. Soviet-British agreement to the short term and long term political and economic treatment of Germany as outlined in the United States proposals.

5. Soviet agreement to a solution of the Polish problem which would insure the emergence of a free, independent, and democratic Poland. For this purpose pending elections in Poland the establishment of an interim government which would be broadly representative of the Polish people and acceptable to all the major allies.

6. Soviet agreement to permit UNRRA to carry out its functions of distribution and supervision of relief supplies in areas liberated by the Soviet Armies.

7. Soviet agreement to a clarification of the status and responsibilities of the United States representation on the Allied Control Commissions in former enemy countries which have surrendered to the Soviet Armies.

8. Soviet agreement, in accordance with the spirit of the Declaration on Iran of December 1, 1943, to respect the decision of the Iranian Government to postpone negotiations

with foreign powers or companies regarding oil concessions until the termination of hostilities and the withdrawal of allied troops now on Iranian soil.

9. Soviet-British agreement to the desirability and the common interest of bringing about the maximum degree of unity in China and for this purpose Soviet undertaking to use their influence with the Chinese Communists to further an agreement between the national Government and the Chinese Communists along the lines of General Hurley's efforts.

10. A common policy between the three countries in regard to the question of the rearming of the Western European democracies in the postwar period.

PSF: Crimea Conference folder 3-45

THE WHITE HOUSE

WASHINGTON

Trip file

file Confidential

January 19, 1945.

MEMORANDUM FOR THE PRESIDENT::

Re: Forthcoming Conference

I am attaching some notes on matters that may come up for discussion at your forthcoming conference.

Lauch Currie

Lauchlin Currie

BRITAIN

A possible consideration in any bargaining with Britain might be the offer to arrange a final settlement now for all lend-lease goods that have been or will be consumed during the war. The settlement could well take the form of a cancellation of any obligation to repay. This would then leave for separate settlement the lend-lease of goods having a post-war peace-time value to Britain. The main categories of such goods are fixed installations, machinery, commercial aircraft and ships, and railroad equipment.

The logic of such a division rests on the fact that lend-lease is extended for the defense of the United States, rather than to render aid to or confer benefits on our Allies. Hence we can logically cancel any obligation for lend-lease used in our defense and ask for some settlement for aid that will confer benefits on our allies after the war.

It would be easier to secure acceptance of this view now while the fighting is continuing rather than after the war. Since obviously no financial return can or should be expected for the bulk of lend-lease, it is better to get this understood as soon as possible and with as little friction as possible. At the same time it might be offered in exchange for some other intangible agreement you may desire from the British.

GERMANY

Post-War Controls

1. The main danger centering around post-war Germany is not that she will again at an early date become an aggressor but rather that she will be enabled to maneuver so as to play one Ally against another, thus creating disunity which in turn would pave the way for another war.

2. The main problem, therefore, is to adopt a long-range policy that will be supported by the peoples of the Big Three, say, eight years after the war.

3. It is doubtful whether public opinion in all the Big Three countries would continue to support any policy which condemned Germany to chronic and mass unemployment.

4. But if the Germans are to be permitted to work, it must be either for themselves or for somebody else.

5. The indicated solution appears to be to impose rigid controls over rebuilding and reequipping and place orders for reparations and restitution. The techniques of economic control are sufficiently well understood to accomplish this end, if they are administered by the right people.

6. Under rigid economic controls the possibility of Germany becoming stronger through the production of reparations is less than through the alternative of the later and probably inevitable adoption of employment schemes in Germany.

7. The needs of Russia in particular are so enormous that reparations need not interfere with large reconstruction credits from the U. S.

"Allied Control of German Activities
Outside Germany"

There is no adequate allied machinery existing, or in positive contemplation, for the control of German activities outside Germany in the post-surrender period that may be inimicable to allied peace objectives.

The proposed Allied Control Commission for Germany presumably will regulate German activities within the Reich. Experience after the last war and rapidly accumulating evidence of a current character indicate that some international mechanism, probably composed of the principal allies, is necessary to prevent German controlled activities outside Germany, particularly in the econimic field, from being carried forward in directions hostile to the peace.

German economic domination of the war potential industries and trade of many countries must be broken. These economic activities provide a financial and property base for the planning by Germans of a third World War. A concentrated and highly coordinated program for combatting this menace may be as important qualitatively, if not quantitatively, as an actual physical occupation of the Reich.

There are great obstacles to be overcome. Much of this activity will be a well-guarded secret and must be ferreted out. It will be carried on in the boundaries of neutrals or members of the United Nations family. It will be difficult to separate this activity from the bloodstream of normal economic and political activity in the world outside Germany. Questions of sovereignty are bound to arise. Outworn concepts of international law may have to be taken into account.

The planning and execution of a program for regulating German activities outside of Germany in the post-surrender period may require the same type of international cooperation as is contemplated for the Allied Control Commission of Germany. German activities inside and outside the Reich are but two phases of the same problem, both of which must be taken into account in planning the peace.

1/19/45

"German Economic and Industrial Disarmament"

An agreement on a program of long-term economic and industrial disarmament for Germany by the principal allied powers is indispensable to international security. A dynamic and redeveloped German industrial war potential constitutes a powder keg in Europe.

The most important element in developing this program is agreement between the nations principally concerned. The absence of agreement redounds only to the benefit of enemy forces who plan for and would attempt a repetition of German aggression. Conversely, any agreement on this subject is better than none. Consequently, there is a great premium upon the production and execution of an agreed program for German economic and industrial disarmament.

There are three stages in winning a successful peace in this regard:

(1) The intelligent formulation by each of the principal allied nations of a specific program of German economic and industrial disarmament which provides some basis for substantial agreement with any like-minded nation.

(2) The active, persistent and continuous negotiation between duly accredited representatives of the principal interested nations in securing a maximum of agreement on such a program.

(3) The persistent implementation of such an agreed program through the various international organizations presently established or in contemplation. It should be noted that the execution and enforcement of such a program

may not be confined solely to the proposed Allied Control Commission for Germany. Many other instruments of international organization now in existence, proposed and under consideration, or contemplated by the Dumbarton Oaks talks, can also make a substantial contribution to the execution of such a program.

If the general policy is one on which the principal allies are agreed, then some positive measures in addition to those underway at the international level are necessary. Each country is engaged, to some extent in preparing its own specific proposals as contemplated in Part (1) above. However, the aggressive formulation of agreement on specific plans and programs may fall between three stools: The European Advisory Commission, The Allied Control Commission for Germany and the Security Organization contemplated by the Dumbarton Oaks talks.

Since the successful implementation of a long-term program of German economic and industrial disarmament may transcend, and in many particulars, be beyond the scope of the operations of the Allied Control Commission, reliance on that body, when formally constituted, for the development of such a program is questionable. Therefore, one of the other bodies or some especially constituted mechanism representing the governments of the principal Allies should be put into the "business" of energetically developing an agreed program on the basis of each nation's best thinking in the field.

1/19/45

FRANCE

In discussions concerning the equipping of French troops and the mobilization of French resources for the war it is worth bearing in mind that

(1) France still has some $2½ billion of gold and dollar resources

(2) French industry and agriculture experienced relatively little damage in the war.

(3) the French contribution to the war in the Pacific can be relatively minor.

Therefore a good case can be made out for the restriction of straight lend lease to articles that can reasonably be expected to aid directly in the war against Germany.

November 14, 1944

CURRENT RUSSIAN LEND-LEASE PROBLEMS

I. Lend-Lease after German collapse

1. Lend-Lease is extended in defense of the U. S. and is assumed to aid in the prosecution of the war against a common enemy.

2. Should the Russo-German war end and Russia not be at war with Japan, there will be great pressure from Congress and the press to cease lend-lease unless Russia goes to war with Japan.

3. It is highly desirable that, if Russia goes to war with Japan, the interval after the collapse of Germany be as brief as possible.

II. The Proposed 3-C Agreement

1. Under the proposed agreement, the American offer was to finance at 2 3/8% over 30 years the sale to Russia of (a) industrial goods in the pipe line at the termination of war at surplus value and (b) heavy plant under contract before termination of war at cost. Repayment of principal to begin 9th year.

2. Stalin will probably ask (a) for a reduction in rate of interest to 2% or 1% and (b) concessions in price of plants.

3. In the negotiations we resisted these requests for following reasons: (a) 2 3/8 % was lowest cost U. S. Government can finance a loan with above schedule of maturities. A lower rate would involve a subsidy over 30 years and offer precedent for all similar types of loans. (b) It would be undesirable to continue production of plants after termination of war which we had agreed to sell at a loss.

4. The American offer is mutually advantageous since (a) on American side, it reduces our surplus problem and provides employment before and after termination of Japanese War (if Russia joins in) and (b) on Russian side, it provides industrial goods in pipe line to Russia early, it speeds up reconstruction of Russia by permitting orders for plants to be placed now, and it provides for a loan when no other provision is now possible.

5. In default of signing of agreement, we are now accepting no requisitions for plants. If Russia is going to sign, it should be done promptly so that orders may be placed before the termination of hostilities. No orders under lend-lease can be accepted after that date.

CHINA

The logic of events is working to enhance the possibilities of a peaceful settlement of the Kuomintang - Communist issue in China. The main factor that could effectively wreck such a prospect would be the possibility that Russia and the United States might be maneuvered into taking sides on the issue. This has long been a hope in certain official quarters in China who may be expected to do their best to create such a situation.

It is, therefore, of the utmost importance that an understanding be reached with Russia that a strictly hands off policy be pursued. This would involve an undertaking on our part that we will insist that no Lend-Lease equipment be used by the Government against the Communists while the Russians could attach the same conditions to any aid they may later render the Communists. This would remove one of the potential disruptive forces in the post-war world.

It is, finally, important that the Chinese should know of the existence of such an understanding. They will then appreciate the necessity of solving their own problem. Some intimation that China will continue a dubious credit risk as long as the problem is unsolved would also help.

file

PSF: Crimea folder

3-45

THE WHITE HOUSE
WASHINGTON

January 27, 1945

MEMORANDUM FOR THE PRESIDENT.

Grace is sending you the clippings in this pouch so that you will see what the political situation is on the Hill.

At Wallace's suggestion, I am talking with Sam Rayburn today. He has been advising Wallace in this situation. We may send you a radio before you get this pouch.

The fight has developed far beyond one of Jones against Wallace. It is really a fight between the old and the new, and I am sure that this is not the end of it.

Hope you had a good rest and are feeling fine.

Very sincerely,

Sam Rosenman

PSF: Crimea corr. file 3-45

THE WHITE HOUSE
WASHINGTON

January 27, 1945

Dear Mr. President:

I am enclosing in the pouch clippings from various papers which will give you a fill-in on what has happened on the Jones-Wallace hearings, as well as a few editorials and news items on Elliott's nomination.

Jim Barnes tells me that by the grapevine he hears that Senator George may withdraw his bill, in which case Henry Wallace's nomination would come up on the floor of the Senate and I think everyone feels that it would be beaten. If, however, the George bill should go through first, of course there is every chance that they would confirm Mr. Wallace. Jim Barnes also tells me that some of the Senators went to see Speaker Rayburn and that he told them they were going to have hard sledding when it comes to the House. Sam Rayburn is for Wallace and I think will go along. Everyone was hoping, of course, that the George bill would come up and get out of the way, but this withdrawal of the George bill seems to be a further move on their part to be mean. Heavens knows how it will all turn out, but I will keep you in touch.

At the White House everything is fairly quiet. Sam is getting ready for his proposed trip. I understand that Bob Sherwood is off for the Pacific next week; Jonathan is carrying on in Steve's shop and trying to keep the boys happy even though there isn't any news, at least from here.

Ambassador Grew called me today inregard to a dispatch from Myron Taylor which you will find in the pouch, as it suggests that perhaps you could arrange an appointment en route. There is nothing anybody can do about that but I told him I was sure that you would reply directly.

I understand from Malvina that I sent you off with pheasants and cavier that did not belong to you -- but then I am a generous soul. They were meant for Mrs. Roosevelt! Four ducks came in for you and I promptly turned them over to Mrs. Roosevelt, which might make up for them just a little, even though I do not think she cares much for duck.

I am enclosing a little box from the New York Times which you may or may not have seen. So much was happening on that famous day of January twentieth that you may have missed it and I thought that both you and Anna might be amused, as was I.

Mrs. Ruth Bryan Owen Rohde telephoned me the other day to ask if you had found a niche for her. I told her that I had no word, but perhaps you had spoken to someone about some place she might fill. If

THE WHITE HOUSE
WASHINGTON

you did not have an opportunity and have something in mind perhaps you would want me to put her in touch with the head of the Department.

I do hope that you had a smooth and pleasant trip and have been able to catch up on your sleep. This note takes to you and Anna, and the whole party, our love and prayers for the success of the meeting.

Affectionately,

Grace

PSF: Crimea Conference Folder

Обед

Икра зернистая и паюсная, растегайчики
Балык, шамая, семга, селедка
Поросенок холодный, ассорти
Сыр, масло

Бульон из дичи, крем из кур, пирожки
Белорыбица в шампанском, кефаль и
ставридка жареная
Филе на вертеле, шашлык из молочного
барашка, джейран в соусе, филе из
телячьих вырезок
Плов с перепелами, куропатки,
цыплята

Цветная капуста в сухарях

Парфе

Кофе, фрукты, чурчхелы

GROUZIN

8 февраля 45 г.

PUBLISHED IN FOREIGN RELATIONS OF THE UNITED STATES

THE CONFERENCES AT MALTA
AND YALTA 1945. pp. 962-963

PSF: Crimea Conference folder 3-45

February 10, 1945

Dear Winston,

I have been hoping to find an opportunity in the course of the present conferences to have a brief word with you on the importance which I attach to a prompt resumption at a high level of conversation between our two Governments on the implementation of Article VII of the Lend-Lease agreement. As the opportunity for a quiet discussion between us on this matter may still not develop, I do not wish this meeting to close without sending you a brief word on this matter.

Discussion on commercial policies, pursuant to Article VII have been carried on from time to time between our two Governments ever since the Fall of 1943. I think it most important that these talks be re-invigorated and I should like to suggest the prompt naming of full delegations on both sides, to be headed by a Chairman with the rank of Minister. I hope you will find it possible to take the necessary steps to bring this about insofar as your Government is concerned.

Most sincerely yours,

(S) Franklin D. Roosevelt

The Right Honorable
Winston S. Churchill, C.H., M.P.
Vorontsov Villa
The Crimea

PUBLISHED IN FOREIGN RELATIONS OF THE UNITED STATES

THE CONFERENCES AT MALTA
AND YALTA 1945. p. 962

PSF, Crimea Conf.
file personal

February 10, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: Article VII of the Lend-Lease Agreement.

Before I left Washington, Mr. Clayton told me that the British have said that you have never mentioned Article VII to Churchill. For this reason, Churchill has obtained the impression that you are not very much interested in this subject.

This mistaken impression on the part of the Prime Minister has tended to encourage the British to take an unyielding attitude on the matter of their Empire preferences and trade barriers.

I think it would be helpful, in this connection, if you could send to the Prime Minister the attached letter on this subject before you leave Yalta.

ERS:LBB.

/S/ Stettinius

PSF: Crimea Conference folder
3-45

Cairo, February 10, 1945

Dear Pa,

The Legation and General Giles, Commanding General, United States Army Forces, Middle East, have been advised that by direction of the War Department, and in concurrance with the State Department, certain gifts have been approved for the three visiting sovereigns.

Detailed information is enclosed regarding these gifts as it is presumed that the President will wish to mention them in his conversations with his royal guests.

Very sincerely,

Pa

General Edwin Watson, USA,
Care USS QUINCY.

Enclosure No. 1

To King Farouk of Egypt:

One Douglas two-engine United States Army transport airplane, type C-47.

When this plane becomes available to the Commanding General, USAFIME, it will be presented to the King, in the President's name, by the American Minister at Cairo.

Enclosure No. 2

To His Imperial Majesty, the Emperor of Ethiopia:

Four command and reconnaissance cars.

These cars will be shipped to Addis Ababa in the near future by the Commanding General, USAFIME, for presentation to the Emperor, in the President's name, by the American Minister at Addis Ababa.

Enclosure No. 3

To King Abdul Aziz of Saudi Arabia:

One Douglas two-engine United States Army transport airplane, type C-47.

When this airplane becomes available to the Commanding General, USAFIME, it will be flown to Saudi Arabia and presented, in the President's name, by the American Minister at Jidda.

A complete crew composed of United States Army personnel will be assigned to this airplane at Jidda to operate and to maintain it. Its crew will be loaned to His Majesty pending procurement of other suitable personnel by the Saudi Arabian Government.

PSF, Crimea Conference folder 3-45

File

Memorandum from Prime Minister.

A telegram has been received from Mr Mackenzie King expressing deep satisfaction at the decision to transfer the Canadian Corps from Italy to North Western Europe, thus uniting the whole Canadian army in Europe. He has asked Mr Churchill to express to President Roosevelt the Canadian Government's appreciation of his proposal.

11th February 1945.

To
WR

PSF: Crimea Conference folder
3-45

File Personal
copy for
WH files

Bx 142

THE WHITE HOUSE
WASHINGTON

Yalta, U.S.S.R.,
February 11, 1945.

Dear General Kruglov,

During the Yalta Conference the Russian Government kindly extended to me and to the personnel working with me the exclusive use of one of Russia's finest residences. The decision to make Yalta the meeting place was reached on short notice and I am conscious of the very great effort imposed on you and your assistants to prepare the residence and the cuisine. I arrived with two hundred and seventy-five assistants, so that every facility was taxed to the utmost.

It gives me great pleasure to ask you to inform all of your assistants, particularly Lieutenant General P. V. Ivanov, Major General M. K. Gorlinski and Mr. D. G. Gogiberidze, how deeply grateful we are for the extremely efficient service you have rendered us. We have lived in the greatest comfort and all of your assistants have been most zealous in providing for our comfort. Everyone of the waiters and men and women attendants throughout the building have been most efficient and attentive. I send my thanks to each one of them.

In behalf of all my party, I extend my most sincere thanks. We leave Yalta with a very warm sense of Russia's hospitality and of your resourcefulness in meeting all emergencies.

Sincerely yours,

Franklin D. Roosevelt

Colonel General S. N. Kruglov,
Commanding General,
N.K.V.D. Forces in the Crimean Area.

Bx
147

THE WHITE HOUSE
WASHINGTON

Yalta, U.S.S.R.,
February 11, 1945.

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In behalf of all my party, I extend my most sincere thanks. We leave Yalta with a very warm sense of Russia's hospitality and of your resourcefulness in meeting all emergencies.

Sincerely yours,

Franklin D. Roosevelt

Colonel General S. N. Kruglov,
Commanding General,
N.K.V.D. Forces in the Crimean Area.

PSF: Crimea Conference folder file 3-45

February 15, 1945.

Memorandum for the President:

Herewith is an answer to your question, propounded the day you left, and written before Crimea.

This was worked out in connection with Dr. Fleming of Vanderbilt University, who, I think, is the best source of exact information on international matters.

BMB [Baruch]

PSF: Crimean Conf.

A UNITED STATES OF EUROPE:

Desirability: A federal union of the European states which included a customs union would solve most of Europe's political and economic problems, if it could be achieved.

Practicability: Such a federation is not feasible now, because:

1. The other European peoples will not unite with Germany in any fashion. Her recent conduct has built up a universal loathing and fear of her which precludes union. All of Germany's neighbors would fear that the Germans would seek to achieve through the union the domination which they could not win by brute force.

2. The upsurge of humiliated nationalism which is following liberation in Europe also precludes any wide European union. Many thoughtful Europeans have longed for a continental solution of their rivalries, but they will have to recover their self respect and feel absolutely secure from Germany before they could enter a European federation.

3. Russia would also fear such a union as something which might be hostile to her. She even vetoed recently a loose federation between Poland and Czechoslovakia and would block any federation which might conceivably be hostile to her.

4. The relation of Britain to such a federation is a problem difficult to solve, though perhaps not insoluble. In the air age Britain is a part of Europe and must act as such. Yet she is also the center of a world empire and of a voluntary commonwealth of British nations. She can hardly merge herself into Europe without losing her world position, or see a European union formed without becoming part of it.

PSF: Crimea Conf.

5. A powerful unified Europe could also be a great danger to us, especially if the Germans got control of it. We are in this war to prevent a hostile Europe from gaining control over us via Africa and South America.

Alternatives:

1. Strictly limited federations. It is probable that Russia would approve a federation of Yugoslavia and Bulgaria, two Slav states of whose friendliness she may presently feel sure. Later on she might not forbid a Polish-Czech reapproachment, if she were certain of the friendliness of both governments. Russia might also accept a federation of the Scandinavian States which did not include Finland. She would hardly oppose a union of The Netherlands, Belgium and Luxembourg. She might approve a drawing together of France, Spain, Portugal and Italy, if all were governed by liberal regimes.

2. A strong world organization. Our best prospect would seem to be to work for a strong, world-wide United Nations organization in which all European states can be free, democratic members, and in which all the great powers work together to prevent Europe's conflicts from becoming lethal to world peace.

PSF: Crimea Conf.

File Personal

THE WHITE HOUSE
WASHINGTON

February 16, 1945.

My dear Kippy,

I want to tell you how much I appreciate the skilful and efficient manner in which you made all the arrangements for my meeting with the King of Egypt and how thoroughly satisfied I am with the results. I enjoyed my talks with the King and feel they gave me a real insight into the problems of Egypt.

It was a great pleasure to see you again and I want to thank you and your staff again for all your successful efforts on my behalf during our short stay in Egyptian waters.

Very sincerely yours,

Honorable S. Pinckney Tuck,
The American Legation to Egypt,
Cairo, Egypt.

file Please

February 16, 1945.

My dear Mr. Caldwell,

I wish to express my appreciation for the manner in which you handled all the arrangements for my meeting with the Emperor of Ethiopia. I know this involved a great deal of careful preparation and work on your part.

I thoroughly enjoyed my talk with the Emperor and I feel sure you share my satisfaction at the success of our meeting.

Very sincerely yours,

Honorable John K. Caldwell,
The American Legation,
Addis Ababa, Ethiopia

file
Bluemel

THE WHITE HOUSE
WASHINGTON

February 16, 1945.

My dear Colonel,

I wish to tell you how much I admire and appreciate the manner in which you handled all the arrangements for my meeting with King Ibn Saud. I know that the successful results involved most painstaking and delicate preparations on your part. It was for me a most interesting and stimulating experience and I want you to know how fully I am aware of the important part which you played, not only in the arrangements, but also in the conversation itself in making our meeting so outstanding a success. With my kindest wishes.

Very sincerely yours,

Honorable W. A. Eddy,
The American Legation,
Jidda, Saudi Arabia.

WH Files

file Personal

THE WHITE HOUSE
WASHINGTON

February 14, 1945.

Dear General Giles,

On my departure from Egypt, I want you to know how much I appreciate the work done by you and your staff which helped make my visit so comfortable. Your well coordinated arrangements made possible the accomplishment of a great deal in two days.

My advance party of Commander Tyree and Mr. Reilly have informed me of the many details handled, your constant cooperation, and your sound advice on which they depended. I am very much obliged to you for your thoughtfulness.

Sincerely yours,

/s/ FRANKLIN D. ROOSEVELT.

Major General B. F. Giles, U.S.A.,
Commanding General, U.S. Army Forces in the
Middle East,
Headquarters, USAFIME,
Cairo, Egypt.

WH Files

file Personal

February 11, 1945.

My dear Mr. Ambassador,

At this time I shall not attempt to comment on the far-reaching effects of the Argonaut Conference or on the part you have played in that historic meeting.

I do wish to comment, however, on the part you and your people have played in preparing a place where the conference could be held and in the highly efficient manner in which that preparation has been carried out on very short notice. I shall write to Admiral Hewitt about the work done by his naval personnel but I wish to express my thanks for the direction and guidance that Admiral Olsen has given to the entire naval conduct of preparation, security and communications. We were all faced with a difficult problem to find an appropriate setting for the conference, and on leaving, thanks to the preparatory work of you and your people, I feel that we could not have made a more successful choice. Will you be good enough to see that an appropriate entry is made on the record of General Deane, Admiral Olsen, General Hall, Mr. Page, Captain Allen, Lieutenant Chase and such other members of your staff as you consider appropriate. I am also conscious of the great assistance given us by your daughter Kathleen.

With my very best wishes to you all and confidence in your continued help to the nation,

Sincerely yours,

(s) Franklin D. Roosevelt

The Honorable W. Averell Harriman,
Ambassador to the U.S.S.R.

PSF: Crimea Conference folder 3-45

file personal

THE SECRETARY OF STATE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

Subject: Mr. Molotov's Report at Today's Plenary Session.

Attached is the English translation of the report which Mr. Molotov, as Chairman of today's meeting of the three Ministers of Foreign Affairs, made at the plenary session.

I recommend that at the next plenary session you formally express your approval of this report.

Ed

(There was nothing attached to this letter when it came to file with the Crimea Conference corres. 3/5/45)

T-487 (to Secretary of State) Crimea Conference feeder 3-45
T-488 (to Secretary of the Treasury)

THE WHITE HOUSE

WASHINGTON

March 6, 1945.

MEMORANDUM FOR

THE SECRETARY OF STATE
AND THE SECRETARY OF THE
TREASURY:

TO READ AND RETURN FOR MY PERSONAL FILE.

F.D.R.

Letter to the President from Hon. Winston S. Churchill, Sebastopol, 2-13-45, thanking for the Pres.' ltr. of 2-10 re Article VII of the Lease-Lend Agreement. Attached is memo on Article VII (prepared by Am . Winant with assistance of Mr. Hawkins and Mr. Penrose.)

PSF. Crimea Conference folder 2-45

SEBASTOPOL.

Br. 142

10, Downing Street,
Whitehall.

13 February, 1945.

My dear Franklin,

L. I have to thank you for your letter of February 10 about Article VII of the Lease-Lend Agreement. I cabled this home to the Cabinet and have now had a full reply from them. It appears that during the past six weeks there has been a regular series of discussions in London between a group of high British officials and three American officials led by Hawkins, who was head of the division in the State Department which deals with Commercial Policy and is now attached to the American Embassy. You may remember that discussions took place in this form at the suggestion of the State Department and were designed to ascertain informally, without of course committing either Government, where both countries now stood as a result of consideration since the talks in Washington rather more than a year ago. Although Commercial Policy was the main subject, the talks covered the whole range of Article VII and seemed to our people to

have let light into many obscure corners.

2. Mr. Hawkins went back a week ago to Washington to report and is due to return to London at the beginning of next month to tell us the Washington reaction to the talks. We shall then be able to consider with all practicable speed whether such differences as may be found to remain between the United States and the United Kingdom can be bridged and if so, what should be lines of procedure for consideration of policy by other United Nations.

3. The War Cabinet do not wish to commit themselves at this stage of the war to sending a high-powered delegation to Washington. This must involve bringing other countries into the discussions, notably France, at an early stage and of course the present mood of the Dominions must be ascertained before we go further on general policy.

4. In view of the above, would it not be better to wait till we have both returned home and have been able to review the progress made in the informal discussions? I shall

be very glad to talk this over with you when we meet.

Yours sincerely,

Winston S. Churchill

The President
of the United States of America.

MEMORANDUM ON ARTICLE VII

(Prepared by Ambassador Winant with the assistance of Mr. Hawkins and Mr. Penrose.)

1) The period between the wars was one of international trade warfare. Each country, by raising tariffs, imposing quota restrictions, negotiating preferential arrangements, utilizing restrictive and discriminatory exchange controls, and by subsidizing exports tried to take care of its own producers at the expense of those in other countries. In consequence international trade was in large part destroyed. Since all countries are in varying degree dependent upon it for their prosperity, all suffered. The international economic policy of nations became a struggle for a shrinking world trade, and the very policies whereby each sought to save itself caused world trade to shrink still further.

2) The economic strength of the United States is greater than that of any other country. Its production and consumption is a large part of the production and consumption of the entire world. It is the greatest creditor nation. The policies it pursues and advocates will be decisive in determining whether mutual impoverishment or mutual prosperity will characterize economic policies in the postwar world.

3) The opportunity to do something about this is unparalleled but fleeting. When the war is over production and trade will be disorganized. Production in the United Nations must be converted from wartime to peacetime purposes. We speak of reconversion but it would be a tragic mistake if we and other countries merely went back to what we had before the war; if each country again sought to produce what it consumes without regard to the fact that it might more economically import more of its requirements from other countries and thus benefit itself and the countries from which it buys. The trade policies which nations adopt when the war is over will determine to a large extent the pattern of production which will develope throughout the world as production for war gives way to production for peace. Tragic and costly as this war has been it has for the time being destroyed much that is bad. The fact that the world economy is in a state of flux gives us the opportunity to create a new and better pattern. But it is an opportunity which we will have only for a relatively brief time. If things are allowed to drift, production and trade will tend to revert to what they were and will solidify into the prewar pattern that Secretary Hull and the present Administration sought so persistently but found so difficult to change because of the resistance of vested interests.

4) We should seek now international agreement on a code of rules to govern trade relations. The code should outlaw high pre-war tariffs; prohibit quota systems; rule out discriminatory trade arrangements; forbid subsidies whereby Governments throw their financial strength behind their own producers to crush the competition of those in other countries; prevent private interests through cartel arrangements from frustrating the efforts of

governments to stimulate international trade. At the same time agreement should be sought on the principles to govern arrangements for stabilizing the position of primary producers who have suffered so seriously from the wide swings and erratic behavior of staple commodity prices and at the same time permit customer needs to be efficiently served. An international trade organization should be established to harmonize trade policies of nations and to study the technique whereby trade policies can be made mutually helpful rather than mutually destructive, and to formulate and supervise the operation of intergovernmental arrangements having these ends in view.

5) We have had extensive discussions of an exploratory sort with British officials on these questions and fine a large measure of agreement on what needs to be done. They recognize that a solution of the problems of trade relations is essential; that the mutually destructive rivalry of the past created friction and ill-feeling and that if this continues in the future, it will do much to destroy the spirit of cooperation on which success in organizing a peaceful world must rest. But the difficulty of the problems presented is also recognized; these problems have defied solution in the past.

6) The following steps are suggested for consideration:

(a) Complete our discussions with the British with a view to reaching agreement in detail on the principles that should govern postwar international trade relations; the kind of measures which nations should adopt and the commitments they should make to implement those principles; and the kind of world trade organization that should be set up to foster the application of these principles and the acceptance of these commitments.

(b) Message by the President to Congress advocating the adoption of the foregoing as the policy the U.S. should seek to implement. The fact of agreement having been reached with the British should not be stated although reference might be made to the fact that extensive exploratory discussions with them and other countries indicates the possibility that there is good prospect of wide acceptance of what we advocate.

(c) The U.S. should then put forward to other countries a <u>statement of principles</u> on commercial policy to serve as the basis for a United Nations conference the aim of which would be,

(i) to secure general adoption of a fairly detailed set of principles on commercial policy;

(ii) to establish at once an International Trade Organization, or at least an Interim Trade Organization which would soon be replaced by a permanent organization;

(iii) to direct the Trade Organization to translate these principles into a detailed multilateral convention to which all United and

Associated Nations would be invited to adhere.

7) If the President of the United States should take the lead in advocating well thought out policies and concrete proposals in the field of international trade policy, public opinion throughout the world might well fall in behind him, and plans for reconversion to peacetime production might in large measure be made in the light of the principles and policies enunciated by him.

DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

Return to the President's file.

file Personal

PSF: Crimea Conf., ~~Gov Corres "P"~~ 4-45

STANDARD FORM No. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1925

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM The White House
Washington

March 8, 1945.

CABLEGRAM

(Send through State Department)

Ambassador John G. Winant
London.

Will you give Dr. Poling my very warm regards and tell him I was very glad to get his message from Rome?

FRANKLIN D. ROOSEVELT

PSF: Crimea Conference

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

MCP-153
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Rome

Dated March 5, 1945

Rec'd 10:10 a.m.

Secretary of State,

Washington.

609, March 5, noon

NOT FOR DISTRIBUTION

Dr. Daniel A. Poling requests that following message be delivered to the President:

"The Yalta Conference and especially your message to Congress and the nation have lifted morale on these European fronts to new levels of courage and faith. Now if Congress will quickly pass the universal service act, men over here will begin to see that we are really with them. I am going on to London after fine visits in France and Italy. Ambassador Kirk and Myron Taylor have been very kind. Best wishes and God bless you."

KIRK

EDA

THIS DOCUMENT IS THE BEST
AVAILABLE. EVERY TECHNICAL
EFFORT HAS BEEN TAKEN TO
INSURE LEGIBILITY.

PSF file Bronnel

Crimea Conference folder 3-45

OK
ERS, JR.
FDR
(sent to Mr Bohlen 3/12/45)

MEMORANDUM FOR THE PRESIDENT

Subject: Draft Directive for the Treatment of Germany

Your memorandum of February 28 directed me to assume the responsibility for carrying forward the conclusions you reached at the Crimea Conference. In pursuance thereof, I am attaching for your approval a suggested directive on the treatment of Germany which I believe conforms to the Yalta discussions and decisions. I believe that such a directive is urgently necessary to implement the Yalta decisions and continue the formulation and development of United States policy to be concerted with our Allies. If you approve of the attached directive, I suggest the establishment of an informal policy committee on Germany under the chairmanship of the Department of State and including representatives of War, Navy, Treasury and the Foreign Economic Administration. This committee would serve as the central source of policy guidance for American officials both civilian and military on questions relating to the treatment of Germany and its proceedings would be based on the attached directive.

Enclosure:
Suggested directive.

EUR:HFM:HG
3/8/45

March 10, 1945

Draft Directive For The

Treatment of Germany

I. MILITARY GOVERNMENT

1. The inter-allied military government envisaged in the international agreement on control machinery for Germany shall take the place, and assume the functions, of a central government of Germany.

2. The authority of the Control Council shall be paramount throughout Germany. The zones of occupation shall be areas for the enforcement of the Council's decisions rather than regions in which the zone commanders possess a wide latitude of autonomous power.

3. German administrative machinery must be purged as set forth below. It shall be used in so far as it can serve the purposes of this directive and does not permit Nazi abuses.

II. IMMEDIATE SECURITY MEASURES

1. The German armed forces, including para-military organizations, shall be promptly demobilized and disbanded.

2. All

2. All military and para-military agencies, including the General Staff, partly military and quasi-military organizations, the Reserve Corps, and military academies, together with all associations serving to keep alive the military tradition in Germany shall be immediately dissolved and thereafter prohibited.

3. All German arms, ammunition and implements of war shall be removed or destroyed.

4. Military archives and military research facilities shall be confiscated.

5. The manufacture and the importation of arms, ammunition and implements of war shall be prohibited.

6. The German aircraft industry shall be dismantled and the further manufacture of aircraft and component parts shall be henceforth prohibited.

III. IMMEDIATE POLITICAL MEASURES

1. The Nazi Party and its affiliated and supervised organizations shall be dissolved and their revival in any form shall be prohibited. Such non-political

social

social services of these organizations as are deemed desirable may be transferred to other agencies.

2. Nazi laws which provided the legal basis of the Hitler regime and which established discriminations on grounds of race, creed, and political opinion shall be abolished.

3. All Nazi public institutions (such as the People's Courts and Labor Front) which were set up as instruments of Party domination shall be abolished.

4. Active Nazis and supporters of Nazism and other individuals hostile to Allied purposes, shall be eliminated from public and quasi-public office and from positions of importance in private enterprise. Active Nazis shall be defined as those approximately two million members of the Party who have been leaders at all levels, from local to national, in the Party and its subordinate organizations.

5. Nazi political malefactors and all war criminals shall be arrested and punished.

6. Germans taken abroad for labor reparation shall be drawn primarily from the ranks of the active Nazis and of Nazi organizations, notably from the SS and the Gestapo.

This procedure will serve the double purpose of eliminating many of the worst carriers of Nazi influence from Germany and of compelling the guilty to expiate their crimes and to repair some of the damage they have done.

7. Under the direction and supervision of the Control Council there shall be established throughout Germany a unified system of control over all means of disseminating public information.

8. There shall be established a uniform system of control over German education designed completely to eliminate Nazi doctrines and to make possible the development of democratic ideas.

IV. ECONOMIC CONTROL

1. Pending definite decision on revision of boundaries and partitioning, Germany as it existed on

January 1,

January 1, 1938, with the exception of East Prussia and Upper Silesia, shall be administered and controlled as an economic unit.

2. The economy of Germany shall be directed, controlled and administered in such a way as to

(a) Provide facilities for, and contribute to the maintenance of the occupying forces and occupying authorities.

(b) Stop the production, acquisition and development of implements of war and their specialized parts and components.

(c) Provide a minimum standard of living for the German people including such food, shelter, clothing and medical supplies as are required to prevent disorder and disease on a scale that would make the task of occupation and the collection of reparation substantially more difficult.

(d) Provide such goods and services to Allied countries for relief, restitution and reparation as will be in excess of the requirements of the

occupation

occupation forces and the minimum standard of living.

(e) Conform to such measures for the reduction and control of Germany's economic war potential as the Allied governments may prescribe. (See paragraphs 13 to 18, inclusive.)

3. It is recognized that a substantial degree of centralized financial and economic control is essential to the discharge of the tasks mentioned in paragraph 2. The Control Council shall have general responsibility for insuring that all measures necessary to this end are taken.

4. In particular, the Control Council shall be empowered to formulate, within the framework of existing and future directives, basic policies governing (a) public finance, money, and credit, (b) prices and wages, (c) rationing, (d) inland transportation and maritime shipping, (e) communications, (f) internal commerce, (g) foreign commerce and international payments, (h) restitution and reparation, (i) treatment and movement of displaced persons, and (j) allocation of plant and equipment, materials,

manpower

manpower and transportation.

5. It is recognized that the prevention of uncontrolled inflation is in the interest of the United Nations. The Control Council shall strive to insure that appropriate controls, both financial and direct, are maintained or revived.

6. The Control Council shall utilize centralized instrumentalities for the execution and implementation of its policies and directives to the maximum possible extent, subject to supervision and scrutiny of the occupying forces. Whenever central German agencies or administrative services which are needed for the adequate performance of such tasks have ceased to function they shall be revived or replaced as rapidly as possible.

7. (a) Before utilizing German agencies military government authorities must carry through denazification in accordance with the principles set forth above.

(b) German nationals deprived of their positions because of previous affiliations with or support of the Nazi party or because of disloyalty to

the

the military government authorities shall be replaced as far as possible by other German nationals. In recruiting replacements military government officers shall rely as much as practicable on the leaders and personnel of freely organized labor unions and professional associations and of such anti-Nazi political groupings and parties as may arise in Germany.

8. Military government shall eliminate active Nazis and supporters of the Nazi regime and other individuals hostile to Allied purposes, from dominant positions in industry, trade and finance.

9. Military government shall permit free and spontaneous organization of labor and professional employees. It shall facilitate collective bargaining between employers and employees regarding wages and working conditions subject to overall wage controls and considerations of military necessity.

10. Germany shall be required to restore all identifiable property which has been taken from invaded countries. It shall also be compelled to replace

objects

objects of unique cultural and artistic value whenever looted property falling within these categories cannot be found and restored.

11. Germany must make substantial reparation for damage to, or losses of, non-military property caused by or incident to hostilities. Such reparation shall take the form of (a) confiscation of all German property, claims and interests abroad, (b) deliveries from existing German assets, particularly capital equipment (c) deliveries from future German output, and (d) German labor services in devastated countries.

12. The reparation burden and schedules for delivery should be determined in such a manner that Germany can discharge its obligation within a period of ten years from the cessation of organized hostilities.

13. The volume and character of German reparation deliveries of capital equipment shall be largely determined in such a way as to reduce Germany's relative predominance in capital goods industries of key importance and to rehabilitate, strengthen and

develop

develop such industries in other European countries, as part of a broad program of reconstruction.

14. Germany shall be prohibited from engaging in the production and development of all implements of war. All specialized facilities for the production of armaments shall be destroyed, and all laboratories, plants and testing stations specializing in research, development and testing of implements of war shall be closed and their equipment removed or destroyed.

15. Germany shall also be forbidden to produce or maintain facilities for the production of aircraft, synthetic oil, synthetic rubber and light metals. Production facilities in these industries shall be removed to other countries or destroyed.

16. In order to foster and develop metal, machinery and chemical industries in other countries, exports of competing German products shall be subjected to restraint for a considerable period. At the same time, German production and export of coal and light consumer goods shall be facilitated.

17. German firms shall be prohibited from participating in international cartels or other restrictive contracts or arrangements. Existing German participations in

such

such cartels or arrangements shall be promptly terminated.

18. The scope and execution of the economic disarmament program should be made compatible with the payment of reparation and both the reparation and economic disarmament programs should take into consideration the necessity of maintaining a minimum German standard of living as defined in paragraph 2.

19. In fulfillment of this principle, Germany shall be made to begin paying her own way as soon as possible. There shall be no simultaneous payment of reparation by Germany and extension of credit to Germany. Payment for such imports as are authorized by the Control Council shall be made a first charge on the proceeds of German exports. If Germany is unable to export sufficient goods in excess of reparation deliveries to pay for authorized imports, reparation recipients shall be required to shoulder this deficit in proportion to their respective receipts from reparation.

T-493

PSF: Crimea Conf. folder 3-45

THE WHITE HOUSE

WASHINGTON

March 12, 1945.

MEMORANDUM FOR

HON. E. R. STETTINIUS, JR.

FOR YOUR INFORMATION.

F.D.R.

Telegram from Amb. Winant, London, 3-11-45, quoting an editorial in the Observer, re security system, of Dumbarton Oaks and the Yalta Conference.

PSF 142

March 13, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: The Crimea Conference.

I enclose herewith the letters prepared for your signature to the Secretaries of War, Navy and Treasury Departments and the Administrator of the Foreign Economic Administration relative to responsibility being placed in my hands for carrying out the decisions reached in the Crimea. You will recall we discussed the advisability of sending out these letters when we were together yesterday.

Enclosures:

Letters on the Crimea Conference to the Secretaries of War, Navy and Treasury and Administrator of Foreign Economic Administration for the President's signature.

Crimea Conference folder
3-45

4181

[redacted]

March 12, 1945

My dear Mr. Secretary:

I am, of course, anxious to see that the decisions we reached at the Crimea Conference should in the light of current developments be carried forward as expeditiously as possible in conjunction with our Allies. I have, therefore, charged the Secretary of State with the responsibility for implementing the Crimea decisions exclusive, of course, of those dealing with purely military matters and I am enclosing for your information a copy of a memorandum which I sent him on February 28. Mr. Stettinius will, I know, wish to tell you personally of those decisions of the Conference which are of interest to you in connection with your duties.

Sincerely yours,

FRANKLIN D. ROOSEVELT

Enclosure

The Honorable
Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D.C.

~~Secret~~

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

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By W. J. Stewart Date

C O P Y

THE WHITE HOUSE

~~SECRET~~

Washington

February 28, 1945

MEMORANDUM FROM THE PRESIDENT TO THE SECRETARY OF STATE

I desire that you, as Secretary of State, assume the responsibility for seeing that the conclusions, exclusive of course of military matters, reached at the Crimea Conference, be carried forward. In so doing you will, I know, wish to confer with other officials of this Government on matters touching upon their respective fields. I will expect you to report to me direct on the progress you are making in carrying the Crimea decisions into effect in conjunction with our Allies.

F. D. R.

(Copy of this memo is filed - Stettinius folder 2-45.)

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

THE SECRETARY OF THE TREASURY
WASHINGTON

March 14, 1945

F.

My dear Mr. President:

I wish to acknowledge receipt of your letter of March 12th. I shall be delighted to cooperate with Mr. Stettinius in implementing the decisions reached at the Crimea Conference.

Sincerely yours,

H Morgenthau Jr.

The President,

The White House.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

4182

~~Secret~~

March 14, 1945

My dear Mr. Crowley:

I am, of course, anxious to see that the decisions we reached at the Crimea Conference should in the light of current developments be carried forward as expeditiously as possible in conjunction with our Allies. I have, therefore, charged the Secretary of State with the responsibility for implementing the Crimea decisions exclusive, of course, of those dealing with purely military matters and I am enclosing for your information a copy of a memorandum which I sent him on February 28. Mr. Stettinius will, I know, wish to tell you personally of those decisions of the Conference which are of interest to you in connection with your duties.

Sincerely yours,

FRANKLIN D. ROOSEVELT

Enclosure:

The Honorable
Leo T. Crowley,
Administrator
Federal Economic Administration
?

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

~~Secret~~

4183

~~Secret~~

March 12, 1945

My dear Mr. Secretary:

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Sincerely yours,

FRANKLIN D. ROOSEVELT

Enclosure

The Honorable
James V. Forrestal,
Secretary of the Navy,
Washington, D.C.

~~Secret~~

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

4184

Secret

March 12, 1945

My dear Mr. Secretary:

I am, of course, anxious to see that the decisions we reached at the Crimea Conference should in the light of current developments be carried forward as expeditiously as possible in conjunction with our Allies. I have, therefore, charged the Secretary of State with the responsibility for implementing the Crimea decisions exclusive, of course, of those dealing with purely military matters and I am enclosing for your information a copy of a memorandum which I sent him on February 28. Mr. Stettinius will, I know, wish to tell you personally of those decisions of the Conference which are of interest to you in connection with your duties.

Sincerely yours,

FRANKLIN D. ROOSEVELT

Enclosure

The Honorable
Henry L. Stimson,
Secretary of War,
Washington, D.C.

Secret

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

DEPARTMENT OF STATE
WASHINGTON

March 13, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: The Crimea Conference

I enclose herewith the letters prepared for your signature to the Secretaries of War, Navy and Treasury Departments and the Administrator of the Foreign Economic Administration relative to responsibility being placed in my hands for carrying out the decisions reached in the Crimea. You will recall we discussed the advisability of sending out these letters when we were together yesterday.

Enclosure:

Letters on the Crimea Conference to the Secretaries of War, Navy and Treasury and Administrator of Foreign Economic Administration for the President's signature.

PSF: Crimea Conference, folder 3-45

file

SECRET

DEPARTMENT OF STATE
WASHINGTON

March 13, 1945

MEMORANDUM FOR THE PRESIDENT

SUBJECT: REACTION TO THE CRIMEA CONFERENCE

I attach herewith a most interesting report giving the latest opinion trends in the United States with respect to the public reaction to the Crimea Conference.

E. R. Stettinius, Jr.

DECLASSIFIED
State Dept. Letter, 1-11-72
By R. H. Parks Date MAY 30 1972

March 10, 1945 SECRET

LATEST OPINION TRENDS IN THE U.S.A.

1. Public Reaction to Crimea Conference

A Princeton polling survey conducted following announcement of the Crimea conference results (February 12) and completed for the most part, prior to the President's address to the Congress (March 1), reveals that:

(1) The conference was regarded as "successful from the standpoint of the United States" by a ratio of nearly 3 to 1 of those with opinions.

("Successful", 51%; "Unsuccessful", 11%; "No Opinion", 38%)

(2) Public satisfaction with Big Three cooperation has increased to a new high of 71% as compared with 46% in January and 64% in early February prior to announcement of the Crimea report.

"Do you feel satisfied or dissatisfied with the way in which Russia, England and the United States are cooperating with each other at the present time?"

	Jan.	Early Feb.	Late Feb.
Satisfied	46%	64%	71%
Dissatisfied	43	25	15
No Opinion	11	11	14
	100%	100%	100%

(3) Asked whether the Big Three agreement on Poland was "about the best that could be worked out under the circumstances" --

56% said "yes"
10% said "no"
34% had "no opinion"

(4) Asked whether this agreement was "fair or unfair to Poland" --

33% said "fair"
26% said "unfair"
41% had "no opinion"

SECRET

II. Public Information on Crimea Conference

Two questions were asked to test public knowledge of decisions taken at Yalta:

Question 1.

At the conference of the Big Three, an agreement was reached on the question of which government should be recognized for Poland. Do you happen to know which of the following governments was agreed upon by the Big Three?

A. The Lublin Government in Poland, now recognized by Russia.	14%
B. The exiled Polish Government in London, recognized by the United States and Britain.	6%
C. A new Polish Government to be made up of people from both of these governments and from other Polish groups.	17%
Don't know	63%

Question 2.

An agreement was also reached on the question of how to control Germany immediately after the war. Do you know which of the following agreements was made?

A. Joint government of Germany as a whole by the big Allied powers.	9%
B. Separate parts of Germany to be occupied and controlled by each of the big Allied powers who will cooperate through a central headquarters in Berlin.	28%
C. The setting up of an anti-Nazi government which will control Germany with the help of the big Allied powers.	8%
Don't know	55%

T-495

PSF: Crimea Conference folder 3-45

THE WHITE HOUSE

WASHINGTON

March 16, 1945.

MEMORANDUM FOR

THE SECRETARY OF STATE:

FOR YOUR INFORMATION.

F.D.R.

Copy of attached memo from Secretary Stimson sent to Secretary of State with this memo.

SECRET

WAR DEPARTMENT
WASHINGTON

March 14, 1945.

My dear Mr. President:

I acknowledge receipt of your secret memorandum of March 12th referring to the implementation of the decisions at the Crimea Conference and I shall do my utmost to assist Mr. Stettinius in carrying out your wishes.

Very sincerely yours,

Henry L. Stimson

Secretary of War.

The President,
The White House.

Franklin D. Roosevelt Library
DECLASSIFIED
DOD DIR. 5200.9 (9/27/58)
Date- 3-20-59
Signature- Carl L. Spice

SECRET

PSF: Crimea Conf. folder 3-45

THE SECRETARY OF THE TREASURY
WASHINGTON

March 20, 1945

MEMORANDUM FOR THE PRESIDENT

At a meeting at the State Department Mr. Stettinius presented to a number of us a five-page Post-hostility draft Directive for military control of Germany, dated March 10, which had your initials and those of Mr. Stettinius on it.

From many conversations that I have had with you as to how to deal with a defeated Germany, I am confident that this Directive goes absolutely contrary to your views. I would like to call your attention to some of the fundamental points contained in the March 10 Directive which seem to me to be contrary to the views you hold and the views that were contained in J.C.S. 1067 which I understand you collaborated on.

(1) Decentralization of Germany - It requires the Control Council to "utilize centralized instrumentalities for the execution and implementation of its policies to the maximum extent possible" and requires that for this purpose "central German agencies * * * shall be revived or replaced as rapidly as possible."

(2) Elimination of German heavy industry - It allows Germany to maintain "metal, machinery and chemical industries" with controls on exports; and forbids only "aircraft, synthetic oil, synthetic rubber and light metals" industries.

(3) Control of German Internal Economy - It states that "a substantial degree of centralized financial and economic control is essential" and requires the Allies to "direct, control and administer" the German economy in order to collect reparations and for other reasons. It requires the Control Council to formulate policies governing "public finance", "prices and wages", "rationing", "internal commerce", etc.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

Carrying out the above directions would build up a strong central German Government and maintain and even strengthen the German economy. You, of course, would know whether or not it was decided at Yalta to move in that direction.

I strongly urge that the directive of March 10 be redrafted in accordance with the three principles indicated below which, in my opinion, reflect your views.

1. We should avoid assuming responsibility for the functioning of the internal German economy and its economic controls. The maintenance and rehabilitation of the German economy is a German problem and should not be undertaken by us in order to collect reparations or for any other reason except the security of the occupying forces.

2. We should aim at the greatest possible contraction of German heavy industry as well as the elimination of her war potential. The occupying forces should accept no responsibility for providing the German people with food and supplies beyond preventing starvation, disease, and such unrest as might interfere with the purposes of the occupation.

3. During the period of military occupation policies in the separate zones should be coordinated through the Control Council, but the actual administration of affairs in Germany should be directed towards the decentralization of the political structure.

Henry Morgenthau Jr.

THE SECRETARY OF THE TREASURY
WASHINGTON

(Copy)

MEMORANDUM FOR THE SECRETARY OF STATE

Reference is made to the draft directive on the treatment of Germany, dated March 10, 1945 which was written by the Department of State to implement the decisions of Yalta.

On the basis of decisions made at Yalta of which I have been informed, it seems clear that the directive has adopted certain definitive views on the most fundamental issues involved in the treatment of Germany, which views are not required by or even implied in the Yalta decisions. I understand that these views were advanced prior to Yalta within the State Department; they are completely opposed to the Treasury's views on these issues; are contrary in major respects to decisions made by this Government prior to Yalta; and are opposed in their most important implications to the views which I understood the President holds on Germany.

To be specific, the following is a brief summary of decisions made prior to Yalta, decisions made at Yalta, and decisions made in the draft directive of March 10, dealing with three of the most important issues involved in the German problem.

I. Decentralization of Germany

A. Prior to Yalta

Directive 1067 provided as follows:

(1) "Military administration shall be directed toward the promotion of the decentralization of the political structure of Germany. You may utilize in the beginning whatever German administrative agencies may serve the purposes of military government. You will wherever possible, however, endeavor to make use of and strengthen local municipal and regional administrative organs."

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

(2) "The agreed policies of the Control Council shall be determinative throughout the zones. Subject to such policies the administration of military government in each of the three zones of occupation shall be the sole responsibility of the Commanders-in-Chief of the forces occupying each zone. You should, however, coordinate your administration with that of the other Commanders-in-Chief through the Control Council. The administration of each zone and of the regional and local branches of any centrally directed German agencies shall be such as to insure that all policies formulated by the Control Council will be uniformly put into effect throughout Germany."

B. Yalta

At Yalta it was decided that:

"Coordinated administration and control has been provided for under the plan through a central control commission consisting of the supreme commanders of the three powers with headquarters in Berlin."

This is a reiteration of what had been agreed upon prior to J.C.S. 1067 and was embodied in that directive. No change of policy was made here.

C. Draft Directive of March 10

The draft directive of March 10 provides:

(1) "The Control Council shall utilize centralized instrumentalities for the execution and implementation of its policies and directives to the maximum possible extent, subject to supervision and scrutiny of the occupying forces. Whenever central German agencies or administrative services which are needed for the adequate performance of such tasks have ceased to function they shall be revived or replaced as rapidly as possible."

(2) "The zones of occupation shall be areas for the enforcement of the Council's decisions rather than regions in which the Zone Commanders possess a wide latitude of autonomous power."

These provisions completely reverse what had been agreed upon as the American view prior to Yalta, despite the fact that there was nothing in the Yalta decisions contrary to such American view.

II. Elimination of German Heavy Industry

A. Prior to Yalta

At Quebec on September 15, 1944, the President and Prime Minister Churchill agreed upon a program designed to eliminate German heavy industry -- the metallurgical, electrical and chemical industry.

B. Yalta

At Yalta it was decided:

(1) To "eliminate or control all German industry that could be used for military production."

(2) That the removal of Germany's national wealth in the way of reparations "be carried out chiefly for the purpose of destroying the war potential of Germany."

These provisions are obviously not inconsistent with the position adopted by the President and Prime Minister Churchill at Quebec.

C. Draft Directive of March 10

Although the program set forth in the draft directive speaks of reducing "Germany's relative predominance in capital good's industries of key importance" (paragraph 13), the only industries which Germany is specifically forbidden to maintain are "aircraft, synthetic oil, synthetic rubber and light metals," (paragraph 15). And it is specifically indicated that Germany will be allowed to maintain"metal, machinery and chemical industries" (see paragraph 16), although exports of these industries to other countries will be restricted.

This program is contrary to the Quebec agreement and has no basis in the Yalta decisions, unless the reparations protocol requires the maintenance of some heavy industry -- and I doubt that it does.

III. Control of German Internal Economy

A. Prior to Yalta

In the Directive known as J.C.S. 1067 (revised) which was agreed upon after considerable discussion between State, War and Treasury, and was presented to and approved by the White House as representing the American view, it was provided that:

"Except for the purposes specified above, you will take not steps (1) looking toward the economic rehabilitation of Germany nor (2) designed to maintain or strengthen the German economy. Except to the extent necessary (1) to accomplish the purposes set out above, and (2) to assure thorough elimination of discriminatory Nazi practices in actual operation of economic controls, the responsibility for and the task of dealing with such economic problems as price controls, rationing, unemployment, production, reconstruction, distribution, consumption, housing or transportation will be left in German hands. You should, however, take such steps as may be necessary to assure that economic controls are operated in conformity with the above purposes and the general objectives of military government."

B. Yalta

Nothing was decided on this basic question at Yalta, to my knowledge. It appears from paragraph 2 of section IV of the draft directive of March 10 that the provisions of the protocol on reparations are being advanced as the basis for the argument that in order to collect reparations in the future it is necessary to direct, control and administer the German internal economy. Such a position, however, is not only not required by the reparations protocol but is contrary to the whole spirit of the protocol, namely that reparations policy be a function of reducing Germany's war potential.

The Yalta decisions clearly did not contemplate that the collection of reparations requires the Allies to take steps designed to rehabilitate and strengthen the German economy.

C. Draft Directive of March 10

Paragraphs 3, 4 and 5 of section IV of the draft directive provide:

"It is recognized that a substantial degree of centralized financial and economic control is essential to the discharge of the tasks mentioned in paragraph 2. The Control Council shall have general responsibility for insuring that all measures necessary to this end are taken.

"In particular, the Control Council shall be empowered to formulate, within the framework of existing and future directives, basic policies governing (a) public finance; money and credit, (b) prices and wages, (c) rationing, (d) inland transportation and maritime shipping, (e) communications, (f) internal commerce, (g) foreign commerce and international payment, (h) restitution and reparation, (i) treatment and movement of displaced persons, and (j) allocation of plants and equipment, materials, manpower and transportation.

"It is recognized that the prevention of uncontrolled inflation is in the interest of the United Nations. The Control Council shall strive to insure that appropriate controls, both financial and direct, are maintained or revived."

These provisions are diametrically opposed to the provision of J.C.S. 1067 and have no basis in the Yalta decisions, except on the doubtful interpretation of the reparations protocol noted above.

Conclusion

Quite apart from the comments above, I would like to point out that, if a decision has been reached to dismember Germany or if there is a likelihood that such a decision will be reached, then the directive will, in my opinion, undermine this basic policy. The directive contains provisions designed to make sure that during the period of military occupation the various parts of the German Reich will be put together and kept together.

On the basis of the foregoing analysis and also of study of the other paragraphs of the draft directive of March 10, it is my firm belief that this draft directive is based in many of its parts upon policies which were not settled at Yalta and in some of its parts upon policies opposed to the decisions of Yalta. On the other hand, from what has been published and told us about the Crimean Conference all of its decisions seem to be consistent with the previous policies of this Government as embodied in J.C.S. 1067 (revised) or expressed by the President at the Quebec Conference.

In view of these conclusions, and in accordance with the President's request and your request that we assist you in implementing the decisions of Yalta, I would like to make the following suggestion:

That for the time being we allow J.C.S. 1067 to remain unchanged as the statement of policy for the U.S. forces during the first period of occupation, and that we attempt to get immediate agreement through the European Advisory Commission on J.C.S. 1067.

I am informed by the Army that General Eisenhower can operate satisfactorily prior to collapse under directive 551 and that after the collapse of Germany initial operations by the Army can take place satisfactorily under J.C.S. 1067.

On reparations and other longer-run policies for Germany, the Treasury is of course prepared to meet with you and your representatives for further discussions.

Henry Morgenthau Jr.

March 20th 1945.

THE WHITE HOUSE
WASHINGTON

1. AGREEMENT ON POLICY FOR GERMANY:
   a. Brief statement of high policy (2 pages)
   b. Have State-War-Treasury Committee work it out.
   c. State Dept to determine political questions:
      1. No Nazis in setup
      2. Let boundaries, heavy industry, etc., wait until later.
   d. Encourage DE-centralization
   e. Economic questions to be worked out by State Dept, with Treasury consulted on financial matters.
   f. Disquieting reports on Riddleberger.
   g. War Dept to consider military significance of all policies.
   h. Examples on economic controls. Make Germans enforce them. Appoint Germans to various tasks (coal mines, rationing, wage and price controls) and have Military Government inspect them regularly and if they aren't run properly, remove Germans and PUNISH them. If Military Government officers don't do their jobs, send them elsewhere.
   i. Keep living standards to minimum necessary to prevent starvation and disease. The Germans must be made to suffer.
   j. Maintain independence of zone commanders but get agreement on national policies with other powers if possible.

2. APPOINT TOP U.S. DEPUTY FOR CONTROL COUNCIL
   Clay or McCloy?

3. Keep JB in the picture. He can keep in touch with FDR

PSF: Crimea Conf. folder 3-45

March 22, 1945

MEMORANDUM FOR THE PRESIDENT

The State and Treasury Departments disagree fundamentally about the interpretation of your views on Germany and the understandings reached at Yalta and other tripartite conferences. The Department of State is convinced that it cannot contribute effectively to the planning of military government for Germany and carry out the task of implementing the Yalta decisions until this disagreement is settled.

Let me stress at the outset that the two departments are agreed on two important economic principles:

1. Effective and practicable measures of economic disarmament are an indispensable supplement to the complete military disarmament of Germany. The Department of State by no means understood that the provisions on economic disarmament embodied in the directive which you approved recently for the guidance of the new interdepartmental committee on Germany should preclude consideration of additional measures for reducing Germany's economic war potential.

2. Responsibility of the United Nations for maintaining a standard of living in Germany does not extend beyond provision of the minimum required to prevent disease and unrest endangering the occupation forces and accomplishment of the purposes of the occupation.

Except for agreement on these two points, there is a substantial difference of opinion in the economic field which, if allowed to persist, will seriously handicap all further work on the treatment of Germany. These differences relate primarily to the following two issues:

1. Degree of responsibility for the functioning of the German economy. The Treasury believes that we should avoid responsibility for the functioning of the internal German economy and its economic controls, while the State Department is convinced that we shall be compelled to assume a large measure of responsibility if we are to realize our objectives. We are committed to extract from the German economy a substantial amount of reparation both through the transfer of existing German assets, particularly capital equipment, and through deliveries of current output and labor services. The German economy must also contribute to the maintenanceof the occupying forces and the care of millions of United Nations displaced persons and provide a minimum living standard for the German people so that they will not become a charge of the United Nations. Accomplishment of all these tasks will be extremely difficult in view of the conditions of chaos and disorder which are likely to develop in Germany. As the

result of our intensive bombing and our military operations on land, a large part of Germany's productive wealth will have been destroyed and millions of Germans will be homeless. Transportation facilities and public utilities will be seriously disrupted and impaired. The most careful re-organization and supervision of remaining German resources will be necessary if the German economy is to be equal to the tasks which we want to impose on it. We must assume initial control of this potentially chaotic situation if we do not want to make our occupation of Germany impossibly difficult and terribly long. To expect that we shall find German authorities acceptable to us ready and able immediately to assume a significant measure of responsibility for the important German National Services is utterly unrealistic for most responsible German authorities will have fled, will be in hiding or will be in Allied custody. Only under orderly conditions, shall we be able to require Germany to pay reparation, take care of its own people and carry out effective measures of military and industrial disarmament.

2. Degree of centralized control in Germany. The Treasury believes that we should proceed immediately to decentralize the administration of Germany and that the various zones of occupation should be largely autonomous, subject only to some degree of coordination by the Control Council. So far as the political Government of Germany is concerned, the State Department agrees. The State Department, on the other hand, contends that conditions in Germany will for some time require a high degree of centralized economic control. Centralized pooling and allocation of remaining German resources will be necessary to the discharge of the tasks imposed on the German economy. The State Department agrees, however, that centralized control should be exercised only to the extent necessary to give us an effective instrumentality for administering the German economy in our own interests, namely support of our own occupation forces, exaction of reparation and effective execution of disarmament. The Department therefore believes that the Control Council should determine basic economic policies and have full power to establish and utilize such central agencies for carrying out its policies as it considers necessary. The Department wants to emphasize that economic centralization for a provisional period need not and does not prejudice any decisions which may be reached to decentralize Germany's political and economic structure or to partition Germany. It is prepared to study immediately the feasibility of dismembering Germany in accordance with the agreement reached at Yalta.

The Department of State urges you to reach an early decision on these basic issues so that the pressing work of elaborating and implementing the policies laid down by you and endorsed by the three powers may proceed promptly.

Joseph C. Grew

PSF: Crimea Conf. file 3-45

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

file

MF-164
This telegram must be closely paraphrased before being communicated to anyone. (SECRET)

Moscow via War

Dated March 23, 1945

Rec'd 10 a.m.

Secretary of State

Washington

PRIORITY

869, March 23, 5 a.m.

POLCO

I have received an aide memoire from Molotov dated March 22 reading in paraphrase (REDEPTEL 640, March 18, 1 p.m.):

The Soviet Government considers it necessary to state the following in connection with the work of the Moscow Commission, which has not been able to assure the carrying into effect of the decisions of the Crimea Conference concerning Poland.

One. An agreement was reached at the Crimea Conference between the governments of Great Britain, the United States and the Soviet Union to the effect that the present Polish Provisional Government (PPG) should be reorganized on a wider democratic basis which would include democratic leaders from Poland itself and Poles from abroad. Thus, in accordance with the decision of

the Crimea

the Crimea Conference, a new reorganized Polish Government which would be called the Polish Provisional Government of National Unity should be formed on the basis of the present provisional government existing in Poland. Any other interpretation of the decisions of the Crimea Conference would be a violation of these decisions. It is therefore fully natural that in the decisions of the Crimea Conference the Polish Emigre Government is not mentioned at all, whereas the PPG is considered in the decisions as the nucleus of the above-mentioned Government of National Unity. The Soviet Government sees in this a recognition on the part of the British and American Governments also of the fact that only the PPG, which is exercising state authority in the entire territory of Poland and has acquired great authority among the Polish people, by drawing in new democratic forces from Poland and from abroad, will become the government resting on a wider base which is also the goal of the three Allied Governments in their decisions on the Polish question at the Crimea Conference.

To consider after this that the PPG in Warsaw is only one of the three groups of democratic Poles, as is done in the memorandum of the American Ambassador of March 19, would be entirely incorrect. This would be

a violation

a violation of the decisions of the Crimea Conference on the Polish question with which the Soviet Government could not agree in any way.

Two. The Polish Commission in Moscow created by the Crimea Conference should be guided in all its work by the decisions of this conference. The first task facing the commission—i.e. the carrying on of consultations with the PPG and other democratic leaders from Poland and from abroad—should be carried out in accordance with this. Meanwhile, notwithstanding the efforts of the Soviet representative, the commission has not done this.

In the published text of the Crimean decisions, as is well known, it is pointed out that the commission is empowered "to consult in Moscow in the first instance" with members of the PPG and with other Polish democratic leaders within and without Poland. It follows from this that the commission should consult in the first instance with the PPG. This was also accepted by the Moscow commission in its first decisions of February 24 and 27 whereby it invited the PPG representatives to proceed to Moscow without delay for consultation. This invitation, however, was withdrawn after a few days on the insistence of the British representative on the commission. The

obligation

obligation to consult in the first instance with the PPG arises from the very sense of the decisions of the Crimea Conference inasmuch as the final goal of the consultation is the reorganization of the PPG into a government of national unity which, according to the decision of the Crimea Conference, should be formed on the basis of the provisional government now existing in Poland. According to the sense of these decisions, the consultation with other Polish democratic leaders should serve to supplement the consultation with the PPG with a view to the reorganization of this government on a wider basis through the inclusion in it of democratic leaders from Poland and Poles from abroad. Furthermore, according to the Crimea Conference, the Polish Provisional Government is to be consulted as such and also such other Polish leaders as can be considered to be democratic leaders. Since the members of the Moscow Commission should work as a commission, the fair decision of the question as to which particular Polish leaders should be invited for consultation would be that which is accepted by all three members of the commission in accordance with the Crimea Conference resolution.

If the Moscow Commission acted otherwise, following the proposal of the American Ambassador in his memorandum

of March 19, which at a number of points varies from the Crimea decisions, the commission would not fulfill the obligations imposed upon it. Thus the adherents of the Polish Emigre Government, such as Arciszewski, Raczkiewicz, Anders, et al, who are clearly hostile to the Soviet Union and to the decisions of the Crimea Conference cannot be summoned for consultation even though they call themselves democrats. It is obvious that also other opponents of the Crimea decisions, such as for instance Mikolajczyk, do not fall within the category of Polish leaders consultation with whom could assist in the fulfillment of the Crimea decisions.

The Soviet Government expresses its confidence that the decisions concerning the conducting of the consultations unanimously accepted by all the members of the commission will assure in the fullest measure the fulfillment of the resolutions of the Crimea Conference concerning Poland.

Three. The Soviet Government has learned with amazement of the statement of the American Government concerning the intention to send British and American observers to Poland, inasmuch as this proposal can sting the national pride of the Poles to the quick, the more so since in the decisions of the Crimea Conference

this subject

this subject is not even touched upon. In any event the American Government could best explore this question if it were to address itself directly to the PPG.

Four. In accordance with the considerations set forth above, the Soviet Government proposes in the interests of the successful work of the Moscow Commission that the following principles be unanimously recognized:

A. The commission in its work should take as its point of departure the basic principle of the Crimea Conference that the PPG is the base for the new Polish Provisional Government of National Unity, which will include in its composition democratic leaders from Poland and Poles from abroad.

B. The Commission should urgently proceed to the holding of the consultations which it is directed to hold, for which it should first of all summon the PPG representatives.

C. The Commission should also urgently summon for consultation those Polish leaders from Poland and from abroad concerning whom there is already agreement on the part of all three members of the commission.

D. Thereafter the commission should decide the question of calling in other Polish democratic leaders from within and without Poland, consultation with whom

should also be

should also be recognized by the commission as desirable in the interests of the fulfillment of the Crimea decisions.

It is the opinion of the Soviet Government that the realization of these proposals would assure the fulfillment of the Crimean decisions concerning the Polish Provisional Government of National Unity and the subsequent free elections in Poland. This is the duty of the Moscow Commission. It corresponds to the interests both of the Allied powers and of a democratic Poland. END PARAPHRASE. Molotov states he has sent an indentic aide memoire to the British Ambassador.

HARRIMAN

WFS

PSF: Crimea Conf. folder 3-45

SECRET

file

DEPARTMENT OF STATE
WASHINGTON

March 27, 1945

MEMORANDUM FOR THE PRESIDENT

Subject: Public Reaction to the Crimea Conference.

I enclose herewith a report on public reaction to the Crimea Conference prepared by Hadley Cantril which I believe you will find of interest.

Joseph C. Grew

Acting Secretary

Enclosure:

Report on Public Reaction to the Crimea Conference.

DECLASSIFIED
State Dept. Letter, 1-11-72
By R. H. Parks Date MAY 30 1972

PUBLIC REACTION TO THE CRIMEA CONFERENCE

Confidential Report To

The President
The Secretary of State

Hadley Cantril

March 13, 1945

SUMMARY INTERPRETATION

A survey made during the last week of February shows that the Crimea Conference impressed the American people as a general success. It raised hopes for a long-time peace, it increased satisfaction with the way the three big powers are cooperating and the way the President and others are handling our interests abroad.

On the Polish question, the vast majority able to express any opinion agreed that the arrangement was about as good as could be worked out under the circumstances -- even most of those who thought the solution unfair to Poland agreed nothing much better could have been done.

Public ignorance concerning the actual decisions of the Crimea declaration is colossal -- roughly 80 percent of the population is ignorant of them (and just as many people are still ignorant of the Dumbarton Oaks proposals). For most people, then, opinion toward the Crimea Conference is based chiefly on the general impression created by the event, not on any real understanding of or concern about specific proposals. The few people who are informed are by and large more satisfied than others with the way things are going on the international front.

Most people who had an opinion of the Crimea Conference hailed it as a success from the U. S. point of view . . . . .

"As you know there was recently a conference abroad between Roosevelt, Churchill and Stalin. Do you think this conference was successful or unsuccessful from the point of view of the United States?"

Successful	51%
Unsuccessful	11%
Don't know	38%

The conference exceeded the expectations of about 30% of the population, whereas less than 10% said it wasn't all they had hoped for.

"Was the conference more, or less successful than you had expected it would be?"

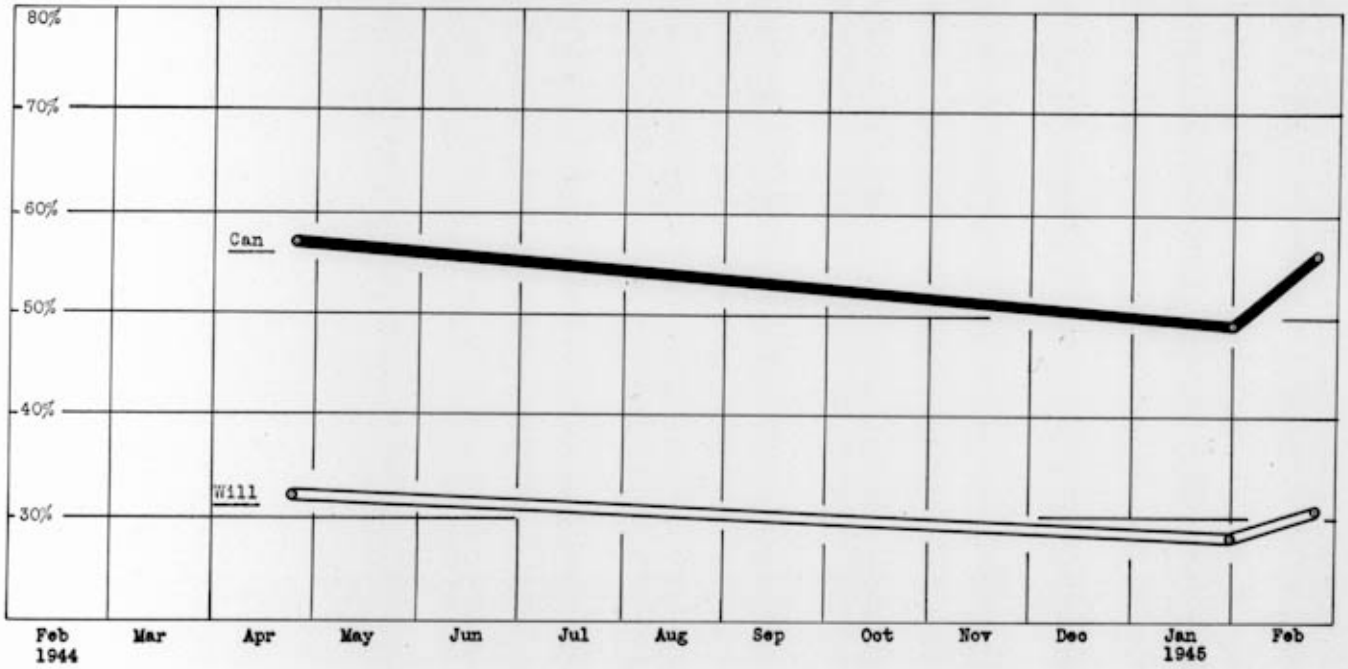
More successful	29%
Less successful	8
No opinion	63
	100%

The chief comment of those who judged the conference as successful was that it seemed to provide hope of a solid basis for peace.

Those who called the conference unsuccessful were mainly perturbed by what they believed was Russian domination.

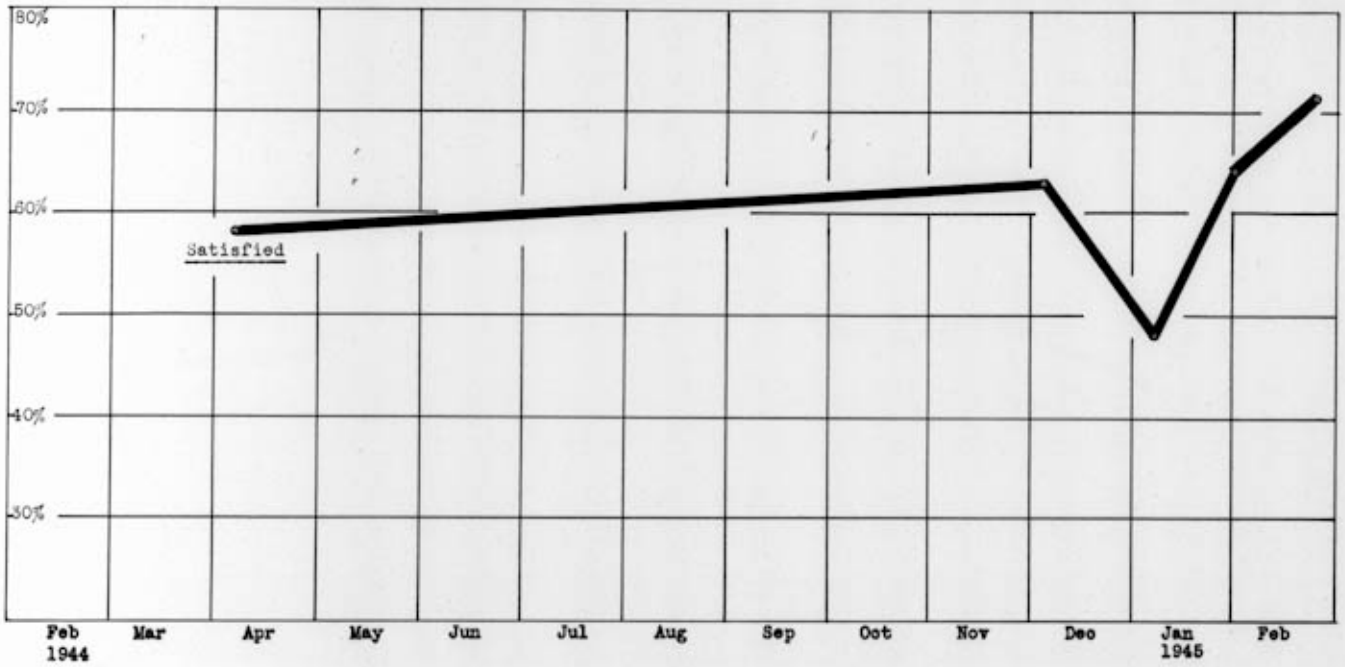
The conference increased the number of those who feel that a peace lasting 50 years can be worked out -- though only a minority still has faith that such a peace will be worked out.

"When Germany is defeated do you think a peace that will last for at least 50 years can be worked out? Do you think that such a peace will be worked out?"



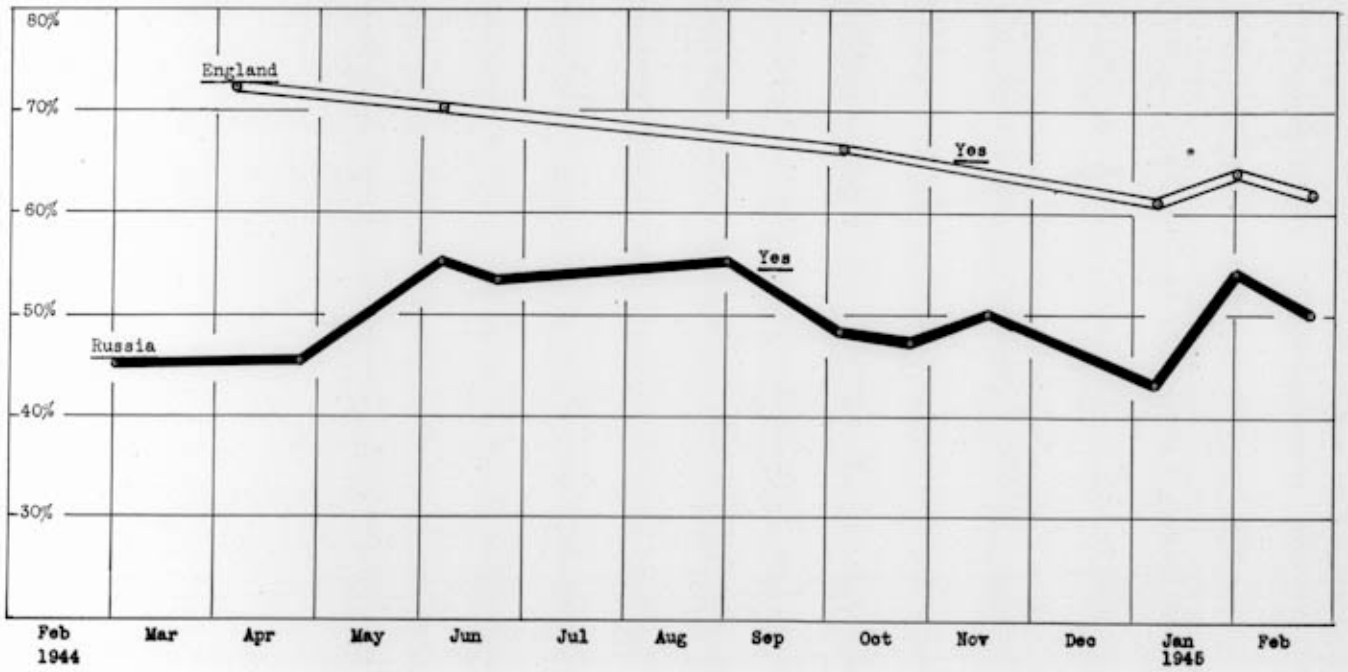
There is widespread and increased satisfaction with the way the three big powers are now cooperating . . . . .

"Do you feel satisfied or dissatisfied with the way in which Russia, Britain and the United States are cooperating at the present time?"



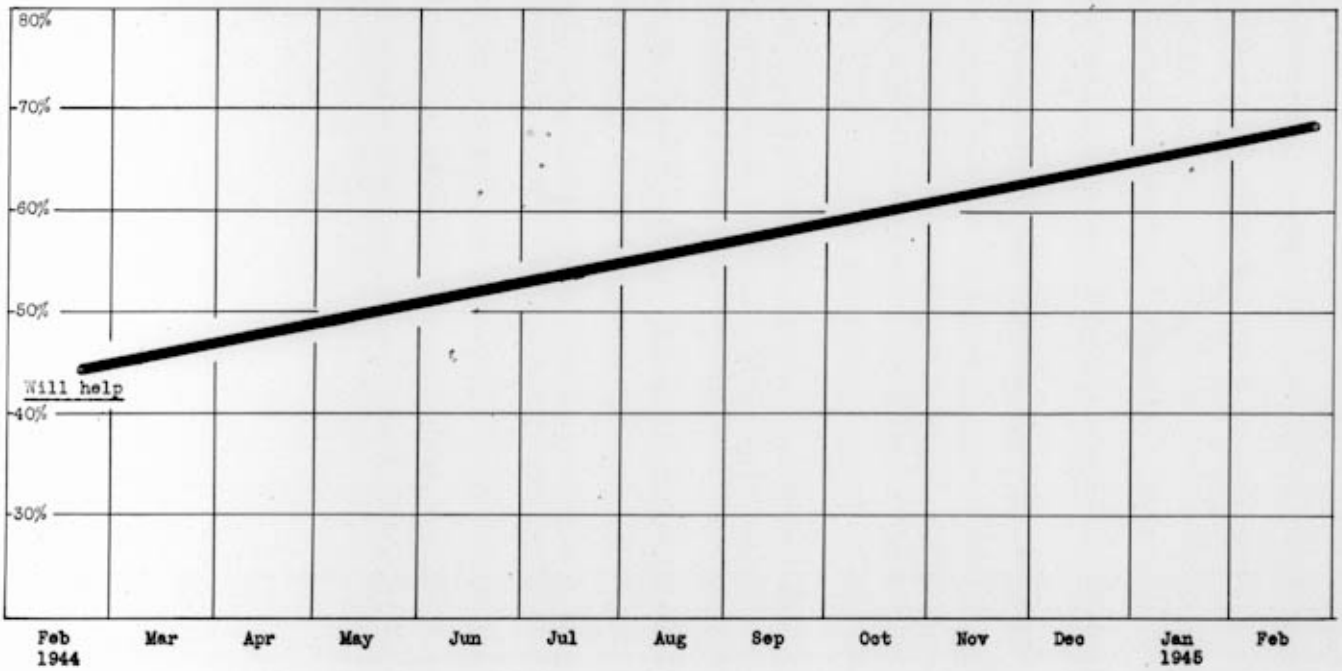
Although the conference apparently had little effect on public trust in British and Russian cooperation with us after the war (the slight drops at the ends here are not large enough to be significant) . . . . .

"Do you think England (Russia) can be trusted to cooperate with us when the war is over?"



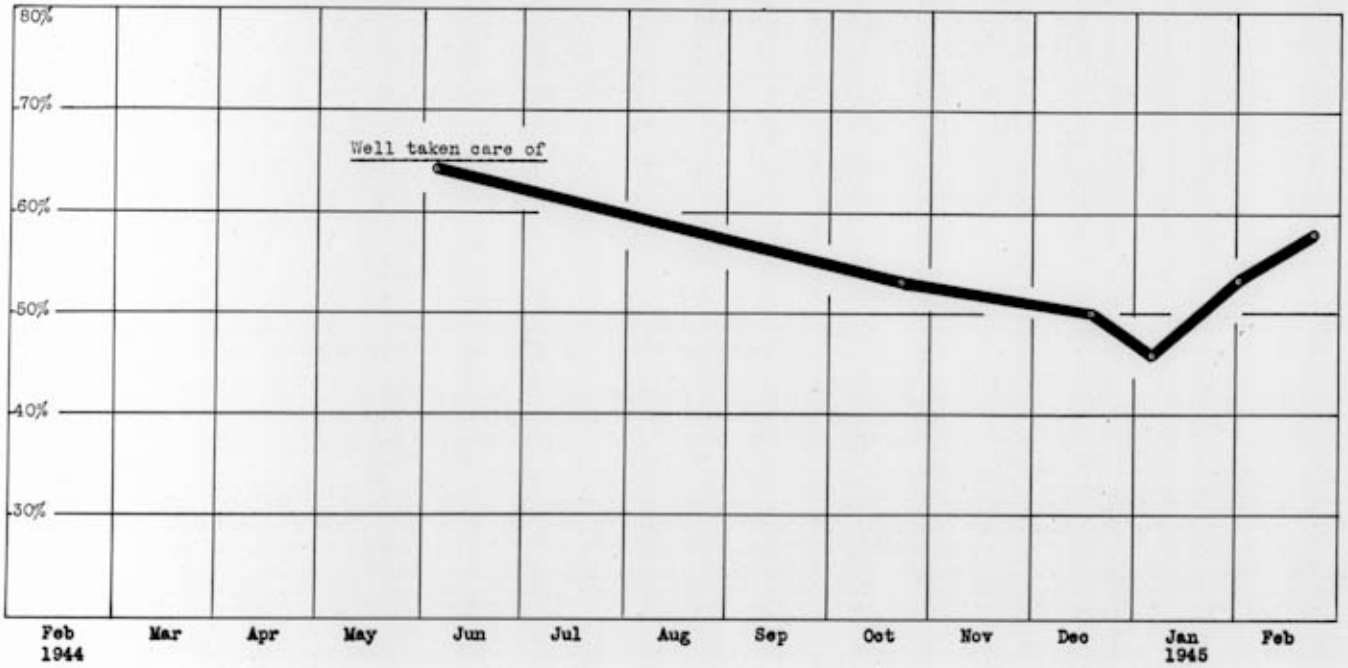
There has been a marked increase during the past year in the number of people who believe Russia will join us in the war against Japan after Germany is knocked out.

"If Germany is knocked out of the war first, do you think Russia will continue fighting and help us beat Japan or not?"



After the conference a few more people joined the majority who feel that the President and other government officials are taking good care of our interests abroad.

"Do you think this country's interests abroad are being well taken care of by the President and other government officials, or do you think other countries are taking advantage of us?"



The overwhelming majority with opinions are satisfied that the Polish question was handled as well as it could be . . . . .

"In general, how do you feel about the Big Three agreement on Poland. Was it about the best that could be worked out under the circumstances?"

Yes	56%	(85%)
No	10	(15)
Don't know	34	
	100%	(100%)

Poland was treated fairly, say a majority of those with opinions.

"Do you think it was fair or unfair to Poland?"

Fair	33%	(56%)
Unfair	26	(44)
Don't know	41	
	100%	(100%)

And even a majority of those who thought Poland was not treated fairly believed the agreement concerning Poland was the best that could be worked out.

Of those who said the agreement was not fair to Poland, 52% said it was still about the best that could be worked out, 36% said something better might have been done, the others couldn't say.

The great majority of Catholics agreed with Protestants that the Polish decision was the best that could be worked out under the circumstances. However, the majority of Catholics did not agree with the majority of Protestants that the decision was fair to Poland.

Reactions to the Crimea Conference were based on general impressions -- not on any real knowledge of the proposals made. The vast majority of the people are quite uninformed about the agreements reached.

For example: Only 17% could correctly identify the type of government that was to be recognized for Poland.
Only 28% of the people knew what arrangement was made for controlling Germany.
(And only 18% of the people even now feel they have a good idea of the Dumbarton Oaks proposals.)

"At the conference of the Big Three, an agreement was reached on the question of which government should be recognized for Poland. Do you happen to know which of these governments was agreed upon by the Big Three? If you don't happen to know, just say so."

A.	The Lublin Government in Poland, now recognized by Russia.	14%
B.	The exiled Polish Government in London, recognized by the United States and Britain.	6
C.	A new Polish Government to be made up of people from both of these governments and from other Polish groups.	17
Don't know		63
		100%

"An agreement was also reached on the question of how to control Germany immediately after the war. Do you know which of these agreements was made? If you don't happen to know, just say so."

A.	Joint government of Germany as a whole by the big Allied powers.	9%
B.	Separate parts of Germany to be occupied and controlled by each of the big Allied powers who will cooperate through a central headquarters in Berlin.	28
C.	The setting up of an anti-Nazi government which will control Germany with the help of the big Allied powers.	8
Don't know		55
		100%

"In a general way, do you feel that you have a good idea of the Dumbarton Oaks proposals?"

Yes	18%
No	33
Never heard of them	49
	100%

As usual, the more informed people are, the more likely they are to have opinions on international questions.

And the better informed people are now most satisfied with the way things are going.

	Well informed*	Moderately informed	Uninformed
Was the Big Three conference a success?			
Yes	76%	61%	43%
No	6	13	11
Don't know	18	26	46
	100%	100%	100%
Can a 50 year peace be worked out?			
Yes	74%	58%	52%
No	23	32	32
Don't know	3	10	16
	100%	100%	100%
Was the Polish agreement the best under the circumstances?			
Yes	77%	67%	48%
No	9	14	8
Don't know	14	19	44
	100%	100%	100%
Can Russia be trusted to cooperate after the war?			
Yes	68%	55%	46%
No	24	31	33
Don't know	8	14	21
	100%	100%	100%

*Well informed are those who answered correctly both questions concerning content of Crimea declaration, moderately informed answered one correctly, uninformed answered neither correctly,