

NEAR EAST

NEAR EAST AND AFRICA

1. Turkey - Memorandum regarding the Question of the Turkish Straits.
 2. Greece - (a) Allied Support of Regency and Possible Tripartite Commission to Supervise Plebiscite and Elections in Greece.
(b) Necessity of Russian Agreement to Oppose Agression against Greece in Guise of a Movement for Macedonian Independence.
(c) Bulgaria's Restitution of Greek Property and Delivery to Greece of Supplies for Relief and Rehabilitation.
 3. Lebanon and Syria - Necessity of Encouraging the French to Confirm the Independence of Lebanon and Syria and of Opposing any French Attempt to Reassert Mandatory Powers.
 4. Palestine - (a) Suggested Procedure regarding the Palestine Question.
(b) Extract regarding Palestine from Report of Culbertson Mission to Near East.
 5. Saudi Arabia - (a) King Ibn Saud. (b) Undesirability of Discussions on a Tripartite Basis.
 6. Iran - (a) American Policy in Iran.
(b) Problem of Oil Concession in Iran.
(c) Desirability of Limiting or Removing Allied Military Censorship in Iran.
(d) Suggested International Trusteeship to Operate Iranian Railways and Free Port on Persian Gulf.
 7. India - Suggested Action for Improvement in Indian Political Situation.
 8. Southeast Asia - Imperialism Versus an Enlightened Colonial Policy in the Area of the South East Asia Command.
 9. Morocco - Future Status of Tangier.
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MEMORANDUM REGARDING THE QUESTION OF THE TURKISH STRAITS

This Government hopes that no question regarding the Turkish Straits will be raised because:

(a) The Montreux Convention (signed July 20, 1936; signatories: Belgium, France, Great Britain, Greece, Japan, Rumania, Turkey, U.S.S.R., Yugoslavia) has worked well, and the Soviet Government so declared to the Turks jointly with Great Britain on August 10, 1941. Non-use of the Straits as an avenue of supply to Russia during this war was due to Axis command of Rumania, Bulgaria, Greece, and the Aegean, not to the Montreux Convention.

(b) Any major changes in the regime of the Straits probably would violate Turkish sovereignty and affect adversely the strategic and political balance in the Balkans and the Near East. By and large Turkey has been a good custodian of the Straits.

(c) The Convention was drafted to fit into the League of Nations' collective security system and consequently can be adapted to the Dumbarton Oaks pattern.

This Government might not object if minor changes in the Convention are suggested by the U.S.S.R. (the Great Power primarily at interest), or Great Britain. Such proposals should, of course, be carefully considered by the Navy and War Departments.

No valid claim can be made for altering the Convention so far as merchant vessels are concerned, because, under its provisions, defensively armed merchant vessels of any flag, with any cargo, are free to transit the Straits subject to certain Turkish security provisions.

Under its terms the Montreux Convention can be reconsidered in 1946 - it would be preferable to leave all changes until then and to have them made within the framework of the Convention itself.

"Internationalization" of the Straits is not a practical solution at this time because, if that is done, the Suez Canal and the Panama Canal logically should receive the same treatment. Turkey would strongly resist such a proposal.

If asked whether the United States would be willing to participate in a revised Montreux Convention in 1946 or some other future regime of the Straits, the reply might be that we, having in mind Dumbarton Oaks, would be prepared to give sympathetic consideration to the idea.

Note: Navy and War Departments concur with the above.

GREECE

Allied Support of Regency and Possible Tripartite Commission to Supervise Plebiscite and Elections in Greece.

The proclamation of King George II on December 30, 1944, declaring his intention of not returning to Greece unless called by a free vote of the people and appointing Archbishop Damaskinos as Regent, was a move that appeared to meet the main demands of EAM-ELAS and to be a sufficient guarantee to dissipate fears that a monarchy or a "rightist dictatorship" was to be imposed on Greece by British armed force. Although the cabinet subsequently formed under the Premiership of General Plastiras has been criticized in liberal quarters as too conservative, it is composed of individuals whose patriotism and democratic views are beyond question. Recent official statements of General Plastiras have foreshadowed a conciliatory attitude in future dealings with EAM-ELAS and have contained specific assurances that reprisals will not be undertaken, that all Greek forces will be impartially disarmed, that the police force will be reorganized with the assistance of a British police mission, and that a general election will be held at "the earliest possible moment." It is evidently Plastiras' intention, with the Regent's concurrence, to seek to win the confidence of the more moderate elements in EAM, isolating intransigent extremists and thereby forcing them to show their unwillingness, if such should prove to be the case, to accept a democratic mandate.

Latest reports indicate that this policy has been moderately successful and that EAM-ELAS has now accepted a truce to become effective on January 15. If EAM-ELAS should refuse to honor the terms of this truce, it will then be clear that one faction is seeking to gain power by force, and the Allies should unite in expressing their confidence in the Government established under the Regency.

The U. S. Government may be requested by the Greek Government, with British backing, to furnish "observers" or to participate in an Anglo-American-Russian commission to supervise a free, secret-ballot plebiscite in Greece on the question of the régime (monarchy or republic) and the subsequent elections for a constituent assembly. The United States should be prepared to participate in such a tripartite commission on the same terms as Britain and Russia. This Government should favor a military commission, headed by a special representative other than its Ambassador to Greece, and should furnish, on an equal basis with its other Allies, sufficient military civil affairs personnel to enable the American commissioner, whether military or civilian, to keep fully informed. Such personnel would be needed in Greece probably not longer than six weeks and could presumably be obtained from Italy or Germany.

January 6, 1945

GREECE

Necessity of Russian Agreement to Oppose Aggression Against
Greece in Guise of a Movement for Macedonian Independence.

It is of the utmost importance that Russia should neither directly nor indirectly encourage a movement for Macedonian independence which aims at depriving Greece of any of her pre-war territory. Greek Macedonia, an area of 13,358 square miles, is the richest agricultural region in Greece, possessing 30 percent of the cultivated acreage and 25 percent of the forest acreage of the whole country. Without this region, Greece can hardly be called a viable state.

The existence of a Yugoslav Partisan Macedonian Army and the creation of a Macedonian Army in Russian-occupied Bulgaria are evidences of a strong movement, with tacit though not official Russian approval, for the incorporation into a future federated Yugoslavia of an autonomous Macedonia, which will perhaps include certain adjacent Bulgarian territory. Neither Tito nor the Bulgarian Government has yet advanced claims on Greek territory. However, several Yugoslav Partisan generals and public figures (Vlahov, Apostolski, and Vukmanovich) have stated categorically that Greek Macedonia and Salonika are to be part of the new autonomous state. Furthermore, since the outbreak of civil strife in Greece there have been reports of infiltration into Greek Macedonia of armed Yugoslav and Bulgarian irregulars.

The agitation for an independent Macedonia, a twentieth-century phenomenon which has been kept alive primarily by Macedonian émigrés in Bulgaria and the United States, represents no ethnic nor political reality, nor was there ever a "Macedonian nation" or "race." After the exchange of populations between Greece and Turkey and Bulgaria, only 5 percent of the population of Greek Macedonia was Slavic-speaking (1936). The Greek people are almost unanimously opposed to the creation of a Macedonian state, and allegations of serious Greek participation in any such agitation can be assumed to be false. The approved policy of this Government is to oppose any revival of the Macedonian issue as it relates to Greece.

Although no serious objections can be raised to an autonomous Macedonian state within a federated Yugoslavia, provided that no claims are made on pre-1939 Greek territory, the very existence of a Slav bloc to the north of Greece must naturally inspire Greek fears and make Balkan unity more hazardous of achievement.

January 6, 1945

GREECE

Bulgaria's Restitution of Greek Property and Delivery to Greece of Supplies for Relief and Rehabilitation.

The Germans, in withdrawing from Greece, deliberately destroyed the economy of the country. The Corinth Canal was blocked, railways and bridges blown up, port facilities wrecked, and enormous quantities of transport removed, including draft animals. Only five locomotives and forty cars are left in all Greece. The country has been stripped of livestock and agricultural machinery. Although much of the looted material has been taken to Germany, some probably remains in Bulgaria, and any delay in restoring it to Greece will make its identification more difficult. Two Greek delegations have already attempted to present claims to the Allied (Soviet) Control Commission in Bulgaria but have been turned back for lack of proper credentials. The U.S. and U.S.S.R. Governments agree that Greek needs could be met more effectively by the accreditation of a Greek liaison officer or military mission to ACC Bulgaria, than by actual membership on the Commission as originally requested by the Greek Government.

It is to the interest of this Government that, on the basis of the Bulgarian Armistice, measures should be taken for the prompt restitution of Greek property in Bulgarian hands and the immediate shipment to Greece on reparations account of the maximum obtainable quantities of foodstuffs, livestock, agricultural implements, and transport equipment. The Bulgarian Armistice, unlike the Finnish or the Rumanian, provides for no direct reparations to Russia, nor are any specific demands included, though both Greece and Yugoslavia are recognized as claimant countries for damages suffered by Bulgarian aggression. Yugoslavia, of course, has legitimate claims against Bulgaria, but Greece has been the main victim and should, therefore, have first priority on Bulgaria's capacity to make restitution.

As Greek needs are most urgent, and as any postponement in demanding restitution and reparations would give Bulgaria an opportunity to conceal stolen property or to plead that her effort in the prosecution of the war should reduce the claims against her, it is advisable to press for immediate aid to Greece. Careful analyses indicate that without unduly upsetting her economy, Bulgaria could deliver to claimant countries within the next six months appreciable quantities of supplies, including 150 locomotives, 200 passenger cars, 3,000 freight cars, 1,000 motor trucks, 500 motor cars, 500,000 tons of coal, 853,000 tons of foodstuffs, as well as farm animals and agricultural equipment. The foodstuffs alone represent more than twice the total Anglo-American military relief allocations for a six-month period.

Although the U.S. Government is not participating in the military operations in Greece, it is committed to a comprehensive program of relief and rehabilitation involving heavy outlays of supplies and shipping. Any supplies similar to those scheduled from Anglo-American sources which can be made available to Greece from Bulgaria will proportionately reduce American financial responsibilities and release shipping space for other vital war needs.

LEBANON AND SYRIA

Necessity of Encouraging the French to Confirm the Independence of Lebanon and Syria and of Opposing Any French Attempt to Reassert Mandatory Powers.

Syria and Lebanon were declared independent by the Free French in 1941, following the ousting of the Vichy administration from these territories by British and Free French forces. However, the French have since tried, with decreasing success, to retain mandatory control. In November 1943 they forcibly deposed the elected Lebanese Government, but were obliged by vigorous British and American intervention to restore the situation and to take steps to fulfill their promises. Under the resultant "Catroux accords" of December 1943 the normal governmental machinery was transferred to local hands and in October 1944 the United States extended full and unconditional recognition to the Syrian and Lebanese Governments, which undertook to recognize and protect existing American rights and interests.

The French continue to exert political, economic and military pressure by: 1) refusing to transfer to local control the native levies (Troupes Speciales - about 20,000 strong), on the now flimsy excuse of war necessity; 2) maintaining financial control through possession of the local gold and foreign exchange reserves, transferred to France in 1941; 3) failing to convert their Délégation Générale to the status of a diplomatic Mission rather than a High Commissioner's Office. There is danger that the French may not hesitate to use military force to attain their ends after the British troops now stationed in the Levant are withdrawn.

The French are seeking in particular to induce Syria and Lebanon to accept treaties giving France special privileges, including cultural concessions which would seriously injure the American University of Beirut. Discriminatory treatment was not permitted even by the mandate and we have made known to the French our opposition to a special privilege treaty (see attached Memorandum). Though our position has strengthened the local Governments' present refusal to negotiate, we have suggested that their bargaining position might be improved if they offered the French a non-discriminatory treaty consistent with their independence.

The British are in essential agreement with our views, but are handicapped by their 1941 pledge to de Gaulle to recognize the "predominant position of France among European nations" in Syria and Lebanon. The Soviets have extended full recognition and, like ourselves, regard their policy toward Syria and Lebanon as entirely distinct from their policy toward France.

The United States should seek the agreement of Great Britain and Russia in encouraging the French to confirm and respect the independence of Lebanon and Syria and in opposing any French attempt to reassert Mandatory powers.

DEPARTMENT OF STATE MEMORANDUM OF OCTOBER 5, 1944,
HANDLED TO DELEGATE OF THE PROVISIONAL GOVERNMENT
OF FRANCE AT WASHINGTON.

The Government of the United States has been guided in its attitude toward Syria and Lebanon since the events of July 1941 by two principal considerations:

- 1) Its frequently reiterated sympathy with the aspirations of the Syrian and Lebanese peoples for the full enjoyment of sovereign independence which has been envisaged since the establishment of the "Class A" Mandate; and
- 2) its established policy of according recognition to another government only when such government is in possession of the machinery of state, administering the government with the assent of the people thereof and without substantial resistance to its authority, and is in a position to fulfill the obligations and responsibilities of a sovereign state.

The United States Government was thus unable to accede to the original request that it grant full recognition to Syria and Lebanon, made to it by the French authorities following the issuance of the independence proclamations by General Catroux in 1941, though it was glad to recognize the step thus taken towards independence by establishing Legations at Beirut and Damascus and accrediting to the local Governments a "Diplomatic Agent," a rank customarily used in the case of semi-independent States. This Government has subsequently followed developments in the Levant States with careful attention. It welcomed the accords concluded with the local Governments by General Catroux in December 1943 and observed with satisfaction the transfer to them of the substantial governmental powers previously exercised by the French authorities. As the French Delegate at Washington was recently informed, the Government of the United States has concluded that Syria and Lebanon may now be considered to be effectively independent, and is therefore according full recognition of this independence by accrediting to the local Governments at Beirut and Damascus an Envoy Extraordinary and Minister Plenipotentiary.

It will be seen from the foregoing that the relations of the United States Government with Syria and Lebanon have been conducted in accordance with the realities of the situation. In the view of this Government, the war powers exercised by the French and British authorities in Syria and Lebanon could not be considered inconsistent with or derogatory to the independence of the States, since these powers have been freely and willingly granted and have been repeatedly confirmed by the local Governments. As to the complex legal situation, involving questions of the status of the League of Nations and of the position of France therein, as well as of the juridical validity of the independence proclamations themselves, it is the opinion of this Government, as the French Committee of National Liberation was in-

formed at Algiers in November 1943, that no useful purpose would be served by academic discussion of these legal technicalities.

As regards "the accords to be concluded between France and the States," these would appear to constitute a question between France and the Syrian and Lebanese Republics, respectively, which would not affect the relationship between these Republics and other sovereign States. The United States would naturally have no reason to object to the conclusion of agreements defining the relationship of France with Syria and Lebanon which were freely and voluntarily agreed to between the interested parties and did not infringe the rights and interests of others. In this connection, it may be recalled that France long ago accepted the general principle that all nations should receive equal treatment in law and in fact even in the mandated territories and that France guaranteed such treatment to the interests of the United States and its nationals in Syria and Lebanon by the Treaty of 1924 and related instruments. The United States could therefore not agree that France or French nationals should enjoy discriminatory privileges in independent Syria and Lebanon.

On the other hand, the United States Government gladly recognizes the relations of special friendship which have long existed between France and the Levant States, particularly Lebanon. It was distressed when this relationship was endangered by the crisis of November 1943 in Lebanon and sincerely hopes that the close friendship and mutual good will heretofore prevailing between the French people and the peoples of Syria and Lebanon will continue to characterize the relations between them in the future.

SUGGESTED PROCEDURE REGARDING THE PALESTINE QUESTION.

(SUMMARY)

The British should be asked to commence at this time to implement their existing commitment on Palestine, which is that before reaching a decision on the future of that country, they will consult all those, including both Arabs and Jews, whom they may judge to be concerned. In other words, the British Government should invite Arabs and Jews and other interested parties (specifically certain religious groups) to present their views in writing with respect to a Palestine settlement.

The proposals submitted by these groups should be made available to the Soviet and United States Governments for their consideration in the formulation of a proposed Palestine settlement, which would have the concurrence of the Three Great Powers.

Rather than seeking (as we have in the past) to avoid all agitation, this proposal would take the position that from a realistic point of view, we cannot prevent agitation from constantly recurring on both sides. What we would do is seek to turn this agitation into more productive channels. The proposal would also take the position that the approval of the Soviets is an indispensable element in any settlement.

At the same time as we would suggest to the British that they collect statements from the interested parties with a view to conferring eventually with the Soviet Government and ourselves regarding a settlement, we would ask the British to consider an interim policy on Jewish immigration, in view of the widespread humanitarian interest in this question.

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SUGGESTED PROCEDURE REGARDING THE PALESTINE QUESTION.

In determining what action should be taken in regard to the Palestine question, the following are the principal factors to be considered:

1. The Department's policy up to the present time has been directed primarily at forestalling any action which would be likely to create a situation in the Near East that would endanger the war effort and jeopardize American interests in that area.

This preventive policy cannot be continued indefinitely. The adoption of a more positive policy is clearly desirable. The coming meeting would seem to be the appropriate time to initiate such a policy.

2. Ibn Saud and the heads of other Governments in the Near East have been informed, with the President's concurrence, that it is the view of the United States that no decision altering the basic situation in Palestine should be made without full consultation with both Arabs and Jews.

3. The British Government has officially stated that it will not enter into commitments regarding the future of Palestine without prior consultations with all those, including both Arabs and Jews, whom it may judge to be concerned.

4. Soviet officials have stated recently that the Soviet Government does not favor the establishment of a Jewish State in Palestine.

In view of the foregoing factors, it would be inadvisable for the United States at the present time to take a definite attitude toward the future of Palestine. It also follows that it would be inadvisable for the United States and Great Britain to undertake any long-range settlement for Palestine without the approval of the Soviet Government. We should not give the Soviet Government an opportunity to augment its influence in the Near East by championing the cause of the Arabs at the expense of the United States or at the expense of both the United States and Great Britain.

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It would be inadvisable, also, to discuss, or for any of the three great powers to formulate, a Palestine settlement until there has been full consultation with both Arabs and Jews in accordance with commitments made both by us and the British. It is therefore suggested that the President might raise at the forthcoming meeting the question of initiating consultations with Arabs and Jews and representatives of the three religions interested in Palestine. Specifically it is proposed that the British Government be asked to take steps to implement its commitment to consult Arabs and Jews and other interested parties by inviting them to present their views regarding a Palestine settlement in writing to the British Government.

The proposals submitted by these groups should be made available to the Soviet and United States Governments for their consideration in the formulation of a proposal for a Palestine settlement, which would have the concurrence of the three great powers. This body of material might be presented, at an appropriate time after the cessation of hostilities, to any future international conference at which a Palestine settlement was under consideration.

It is thought that the present unprofitable and increasingly dangerous activities of both Arab and Jewish pressure groups would in part be checked, if all the interested groups were to occupy themselves with the organization and presentation of proposals to the British Government with respect to the post-war settlement for Palestine.

It is thought, also, that this procedure would give the more moderate and less vociferous groups among both Arabs and Jews, who now lack the means to present their views, an opportunity to do so officially. It would also make it possible for ecclesiastical organizations with important interests in the Palestine settlement to give expression to their views in regard to the future of the Holy Land.

In view of the widespread humanitarian interest in the fate of Jews whose lives are or may be jeopardized in Axis Europe, the British should at the same time be asked to consider formulating and announcing the immigration policy which they will pursue in Palestine between the time when the White Paper quota becomes exhausted and the time when a long-range settlement of the Palestine question becomes operative.

EXTRACT REGARDING PALESTINE
FROM REPORT OF CULBERTSON MISSION TO NEAR EAST

The economic mission which recently visited the Near East under the chairmanship of Ambassador W. S. Culbertson made the following reference in its report to the question of the Jews and Arabs in Palestine:

"Until this question is settled it will remain a serious menace to the peace and security of the area. Moreover, the situation injures our prestige among Arab peoples. Perhaps the price the United States pays for the privilege to hold its widely publicized views on the Jewish state is worth all it costs. The Mission wishes only to emphasize that the price is considerable and that apparently the American people do not realize how considerable it is."

KING IBN SAUD

SUMMARY

King Ibn Saud is known to his subjects as "The King" or as "'Abdul 'Aziz". He is tall and heavy, and must be sixty-odd years old. His beard is dyed black, he is lame, and his vision is impaired by cataracts. Although the sovereign wears the usual court attire, he is easily recognizable in any assemblage. He is surrounded by a numerous retinue, even in traveling, and is attended by a bodyguard.

Deference to the King's religious objections prevents smoking in his presence. Other than references to the women of the King's family, no pitfalls are likely to occur in conversation with him. He likes to talk about political and military subjects. He is openly hostile to the rulers of Iraq and Trans-Jordan. In his pleasures the King follows the pattern of his Prophet in preferring women, prayer and perfume.

His Majesty has risen to power as much through statesmanship as through military prowess. He has never been outside Arabia, and his judgment is remarkable in view of his lack of experience and restricted sources of information regarding foreign affairs. He speaks only Arabic.

The King is first a Moslem and secondarily an Arab. Leader of the Wahhabi sect, guardian of the Holy Places, and an independent Moslem sovereign, he considers himself the world's foremost Moslem and assumes the defense of Moslem rights. Hence his opposition to Zionism. The possibility of any alteration in his opposition is remote since it would involve a violation of his principles, loss of the respect of his co-religionists, a possible threat to his influence with his subjects, and even a speculative overthrow of his dynasty.

KING IBN SAUD

The sovereign of Saudi Arabia is generally known abroad as King Ibn Saud. His full name is 'Abdul 'Aziz ibn 'Abdurrahman al-Faisal Al Saud, and he is known to his subjects as "The King" or as "'Abdul 'Aziz".

He is a big man, well over six feet tall, and heavy. In all probability he resembles most desert Arabs in neither knowing nor caring about the date of his birth, but he must be sixty-odd years old.

Careful use of dye keeps his beard black. Both his eyes are afflicted by cataracts, but he is still able to see fairly well with one of them. Messages for him to read are written with special care in large characters. The King is lame in one leg as a result of old injuries.

The sovereign's dress resembles that of the members of his court: he wears the red and white checked head scarf characteristic of Nejd (Central Arabia), and, like other members of the royal family, uses gold head ropes. In his audience room he usually sits without footgear, showing gaily colored socks. His cane and slippers are brought before he leaves his chair. He is nearly always surrounded by numerous members of his family and of his court. Despite his undistinguished Arab attire, it is never in any assemblage difficult to recognize the King.

When a number of persons are with him, a bodyguard, in picturesque costume, stations

himself

himself ten steps in front of the King, and stands there, leaning on his sword and watching every move of his sovereign. At private audiences, guards, even though hidden from sight, are always within earshot if the King raises his voice.

When the King travels, he is usually accompanied by several hundred relatives, officials, doctors of religious law and retainers. He has never travelled by air.

No pitfalls are likely to be encountered in conversation with the King. His Majesty refers details of financial and commercial questions to his advisers, but he enjoys discussing military and political matters himself.

Like most Arabs, he has a good sense of humor. To a visitor of Ministerial rank, he often makes the facetious offer of an Arab wife, in addition to any wife the visitor may already have. Perhaps he does so to others.

According to Arab and Moslem custom, the women of his family are strictly secluded, and, of course, should not be mentioned. Otherwise, most subjects can be discussed. He refers openly to the House of Hashim (the ruling family in Iraq and Trans-Jordan) as his enemies.

The King's three admitted delights in life are said to be in women, prayer and perfume. In these tastes, he closely follows the example of the Prophet, Mohammed.

Both smoking and drinking are forbidden by the King's religious tenets, and no one smokes (or drinks) in his presence.

His Majesty has much personal charm and great force of character. His rise to power established order in a country having a tradition of uninterrupted lawlessness, and was partially based on astute policy and on well-publicized

displays

displays of generosity or severity, according to the occasion. Statesmanship contributed to his success to a greater extent probably than his ability as a desert warrior. It is entirely fitting, therefore, that the kingdom which is his own handiwork should take its name (Saudi Arabia) from the King's family (Al Saud).

His Majesty has never been outside the Arabian peninsula, and few Saudi Arabs have comprehensive knowledge of other countries. For the conduct of his foreign affairs, the King utilizes several Moslem advisers of Syrian or North African origin. He is accustomed to employ a relay of interpreters who translate for him news picked up from radio broadcasts, whether Allied or enemy. In view of his limited experience and restricted sources of information, the King's judgment is remarkably sound.

One of these foreign advisers, Fuad Bey Hamza, is often used as interpreter in Arabic and English, since King Ibn Saud speaks only Arabic. The American Minister to Jidda could be used in this capacity if desired.

King Ibn Saud is first a devout Moslem and only secondarily an Arab. He is the head of the Wahhabi (fundamentalist) sect of Islam. The Wahhabis regard themselves not as a sect, but as the only true Moslems, while non-Wahhabi Moslems are considered to have lost the purity of their faith.

There is every reason to credit the sincerity of this King's beliefs. Leader of the Moslems (Wahhabis anyway), guardian of the Holy Places of Mecca and Medina, and a Moslem sovereign who is independent in fact as well as in theory, he, with much justice, regards himself as the world's foremost Moslem, and assumes the defense of the rights of the Moslem community. Hence, his pre-occupation with Jewish immigration into Palestine, a problem in which Moslem religious considerations are supported by Arab nationalist sentiment.

Although the King is reasonable in his interpretation of Moslem religious law, he is

scrupulous

scrupulous in observance of established principles. Any relaxation of his steadfast opposition to Zionist aims for Palestine (about the only question on which the Moslem world shows unanimity) would violate his principles; it would cause him to lose the respect which he now commands from his co-religionists; it might threaten his influence with his intolerant Wahhabi subjects; and it could even result in the overthrow of his dynasty. The possibility that the King can be persuaded to alter his position with regard to Palestine is, therefore, so remote as to be negligible.

January 6, 1945

SAUDI ARABIA: UNDESIRABILITY OF DISCUSSIONS
ON A TRIPARTITE BASIS.

Soviet Russia has no direct interest in Saudi Arabia. It is considered, therefore, that it would not be either appropriate or desirable to discuss Saudi Arabia during the forthcoming tripartite conversations.

January 6, 1945

MEMORANDA CONCERNING IRAN

I American Policy in Iran

The U.S. supports Iranian independence and seeks to strengthen the country internally, so that excuses for outside interference will be minimized. Iran is considered a testing ground for U.S., U.K., and U.S.S.R. cooperation and for the principles of Dumbarton Oaks.

American, British and Soviet Ambassadors in Iran should be authorized and instructed to cooperate and consult closely on all questions of mutual interest. Allied wartime controls in Iran should be removed as rapidly as possible.

II Problem of Oil Concessions in Iran

We should dispel any idea in Soviet minds that U.S. officials or individuals prompted Iran to refuse the Soviet request for an oil concession. Effort should be made, however, to persuade the Soviet authorities that pressure on Iran to grant a concession would be contrary to assurance of respect for Iranian sovereignty contained in the Declaration on Iran.

III Desirability of Limiting or Removing Allied Military Censorship in Iran

The progress of the war no longer requires the strict censorship now in force.

IV Suggested International Trusteeship to Operate Iranian Railways and Free Port on Persian Gulf

While the aims of the proposal are excellent, the Department sees no possibility of its being made acceptable.

I American Policy in Iran; Continued and Growing American Interest in Iran as a Testing Ground for the Atlantic Charter and for Allied Good Faith

The basis of our policy toward Iran is a desire to contribute to the maintenance of the independence of Iran and to increase its internal strength. This policy is based on four principal desires:

- (1) to carry out the pledges of assistance we have given Iran;
- (2) to insure a nondiscriminatory position for the United States in Iran with regard to commerce, shipping, petroleum and aviation;
- (3) to contribute toward postwar security by helping to construct a strong and independent Iran, free from the internal dissensions and weaknesses which invite foreign intervention, and
- (4) to develop U.S., U.K. and U.S.S.R. cooperation there, as a testing ground for postwar relations and a demonstration of Dumbarton Oaks in action.

This policy was crystallized and given emphasis by the Declaration on Iran signed at Tehran on December 1, 1943, by the President, Prime Minister Churchill and Marshal Stalin. This document acknowledged Iran's contribution toward the war effort, expressed desire for the maintenance of Iran's sovereignty and integrity, and pledged allied economic assistance to Iran both now and after the war.

Our policy toward Iran has been implemented in various ways: by the development of a comprehensive American adviser program, by American participation in the Middle East Supply Center program of meeting Iran's essential needs, by supplying the Iranian Army and Gendarmerie with the military supplies necessary to maintain internal security, and by other similar means. The cornerstone of this program has been the American adviser program, under which we have assisted Iran in finding, always on specific Iranian request, a large number of American citizens to advise them in the fields of finance, economy, public health, army, gendarmerie, and irrigation. The largest of these advisory missions is that headed by Dr. A. C. Millsbaugh in the fields of finance and economy, with a present strength of some 45 American citizens.

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The Allies have a unique opportunity in Iran, common meeting place of the three great powers, to set a pattern of cooperation and develop a mode of conduct in dealing with small nations which will serve as a model in the postwar world. Since the sincere cooperation of the British and Russians must be obtained if this objective is to be realized, we should endeavor constantly to bring about allied consultation and common action in all matters of mutual interest regarding Iran. In the development of our own policy toward Iran, we should bear in mind the special historic interests of the British and Russians in that country. We should avoid the impression that we stand at Iran's side as a buffer to restrain other countries or that we have undertaken a unilateral obligation to defend Iran by armed force. Toward this end, we should make a special effort to bring the Russians and British into common allied deliberations regarding Iran and should seek their active collaboration in carrying out an agreed policy. Moscow should be requested to instruct the Soviet Ambassador at Tehran to consult fully with his American and British colleagues on all questions of mutual interest. The three Ambassadors might constitute an Allied Advisory Commission in Iran, with a secretariat, to bring about constant collaboration on matters of mutual concern.

Effort should be made to remove two specific causes for allied friction in Iran. They are: the oil concession controversy; and the continuance of allied censorship. Each subject is discussed in a separate paper.

II The Problem of Oil Concessions in Iran and the
Disturbing Effect recent Negotiations have had on
Soviet-Iranian Relations

Soviet displeasure at the action of the Iranian Government in suspending, until after the war, all negotiations for oil concessions is an ominous development which should be carefully followed.

A brief summary of the immediate background of this matter follows. American and British oil companies began negotiations with the Iranian Government in early 1944 for a petroleum concession in southern Iran. The American and British Embassies in Iran were aware of these negotiations but regarded them as private commercial ventures and in no way participated in the negotiations. The negotiations seemed about to terminate successfully in September when a large Soviet delegation, headed by Vice Commissar Kavtaradze, appeared in Tehran and demanded that a concession be granted to the Soviet Government for the five northern provinces of Iran. The Iranian Government, alarmed by the sweeping Soviet demands, disturbed by Soviet refusal to discuss terms or conditions, and fearful that Iranian sovereignty would be jeopardized if a foreign government should obtain such wide and lasting control in the country, announced that all petroleum negotiations were suspended until the end of the war.

The United States Government promptly informed the Iranian Government that, while American companies were disappointed, we recognized the sovereign right of Iran to grant or withhold concessions within its territory. We asked that, when negotiations are resumed, American companies be informed and be placed in no less favorable position than granted to any foreign company or government. The British followed a similar policy although they made no formal statement to the Iranian Government, as far as we are aware. The Russians showed great annoyance, taking the Iranian action as an affront. The Soviet press began a strong and concerted attack on Iranian Prime Minister Saed and his Government, accusing Iranian officials of being "disloyal" and Fascist-minded. These attacks and the strong statements of displeasure by Vice Commissar Kavtaradze in Tehran brought about the resignation of the Saed Government.

The American Embassy in Moscow informed the Soviet Government on November 1, 1944 of the attitude we had taken and stated that our action had been based on the Declaration on Iran signed at Tehran by President Roosevelt,

Prime

Prime Minister Churchill and Marshal Stalin on December 1, 1943. The Soviet Government, in a reply addressed to us on December 28, 1944 strongly supported the action taken by Vice Commissar Kavtaradze, again accused the Iranian Government of unfriendly and "disloyal" action, denied that the granting of an oil concession to the Soviet Government would affect Iranian sovereignty, and declared that the concession would in no way be in contradiction to the Declaration on Iran. The note described the American attitude toward this Soviet-Iranian dispute as "unsympathetic" to the Soviet Government.

The British Government, for its part, subsequently called the attention of the Soviet Government to the harmful effects of Soviet action in Iran and has asked the Russians to state frankly their designs and intentions in this matter. The British have asked us to make similar representations in Moscow but we have taken no action other than our original note of November 1.

The situation is potentially dangerous, not only as regards Iranian sovereignty but in the more important bearing it may have on allied relations. The British, however willing they may be to make concessions to the Russians in Eastern Europe, will probably refuse to consider concessions in the Middle East, which is so vitally important to Empire communications. The consequences of this dispute, if it is allowed to continue, may be serious.

The American Government should continue to maintain the reasonable and tenable position we have taken; that we recognize the sovereign right of Iran to grant or withhold concessions within its territory. We should stress to the Russians, at the highest possible level and in the most friendly and constructive manner, the harmful effects of their action in Iran. While British opposition to the Soviet action may be based primarily on strategic grounds, our chief concern is that the assurances of the great powers of respect for Iranian sovereignty be not violated. The confidence of the world in the Dumbarton Oaks proposals could be seriously affected by action to force Iran to grant an oil concession.

III Desirability of Limiting or Removing Allied Military Censorship in Iran

When Russian and British troops entered Iran in August 1941 the British and Russian military authorities agreed upon a joint censorship arrangement under which each could exercise a veto over the release in Iran or dispatch from that country of any information considered harmful to the war effort. When American troops entered Iran in 1942, the American military authorities were invited to participate, to the extent of the American interests involved, in the censorship arrangements.

In actual practice, the arrangement has given the Russian a veto over the dissemination of news in Iran from American and British sources and over the dispatch from Iran of any news contrary to Soviet interests, while the British and American authorities have had no such veto, due to the fact that Tass despatches between Moscow and Tehran in both directions are sent over the Soviet Embassy wire and are consequently uncensored.

As a result of this situation, the Soviet authorities were able to prevent the facts regarding the recent oil concession controversy between Russia and Iran from being disseminated abroad, and even prevented the Iranian Government from telegraphing to its diplomatic representatives in Moscow, London and Washington.

The censorship has been irksome, not only to the Iranian Government but also to foreign newspapermen and civilians in Iran, who have frequently been denied American and British publications addressed to them by mail. Both the British and American authorities have complained about the operation of the censorship, but the Soviet Ambassador in Tehran claims that it is a matter of military censorship which he cannot control.

Iran is not a zone of military operations, and the excuse for military censorship there has practically disappeared. There is no excuse whatsoever for this censorship to be extended to political information. Its operation during the past two years has been a serious infringement of Iranian sovereignty and is no longer justifiable. Ambassador Morris feels strongly that a solution can be reached only through discussion by the highest officials of the U.S., the U.K., and the U.S.S.R.

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Soviet control of news in Iran is an important phase of the larger question of the freedom of information in which this Government is so greatly interested. A solution would be to eliminate the veto feature and to require American, British, Soviet and Iranian concurrence before items are censored and to restrict censorship to strictly military questions. The remoteness of Iran from the war and the rapidly diminishing importance of Iran as a corridor for military supplies justify this move. An alternative would be to remove allied censorship, placing censorship responsibilities in the hands of Iran, one of the United Nations.

IV Suggested International Trusteeship to Operate Iranian Railways and Free Port on Persian Gulf

The Department has given careful study to a suggestion that the Iranian railways and an Iranian port on the Persian Gulf might be operated under an international trusteeship. The purpose of the trusteeship would presumably be (a) to provide to Russia an assured economic outlet to the Persian Gulf; (b) to assist Iran economically by developing transit of goods through the country; (c) to avoid more forceful methods by Russia to gain an outlet to the Gulf; and (d) to develop international cooperation rather than rivalry in Iran.

The aims of the proposal are excellent. A properly conducted trusteeship of this kind would bring advantages to Iran and to the world. The Department regrets that there are not, in its view, any feasible means for accomplishing the results desired.

No matter how drawn up or proposed, the plan would appear to Iran, and doubtless to the world, as a thinly disguised cover for power politics and old-world-imperialism. Iranians are highly suspicious of foreign influence in the country and would unquestionably resent any extension of foreign control there. The railway, built by their own strenuous efforts at a cost of some \$150,000,000, without foreign borrowing, is a source of especial and intense patriotic pride. The Department's judgment is that the trusteeship could only be imposed on Iran, a sovereign, allied nation, by force of arms.

There is little reason to believe that Soviet Russia would be interested, at least for the present, in participating in an international trusteeship in Iran in the genuine manner contemplated, particularly if it included an element of non-Russian control in northern Iran.

The British, we feel, would almost certainly raise equally strenuous objections. British policy for more than a hundred years has been pointed toward preventing any other great power, and especially Russia, from gaining a foothold on the Persian Gulf. There is no indication that this policy has been altered. If we proceed on the assumption that the continuance of the British Empire in some reasonable strength is in the strategic interest of the United States, it might be considered wise, in protection of vital British communications in this important area, to discourage such a trusteeship. The British also will probably continue to endeavor to keep the Russians away from the vital South Iranian oil fields.

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The laudable ends contemplated by the proposal might be accomplished in some measure through the employment by Iran of foreign technicians to assist them in operating the railway and port. The Iranians would prefer to employ Americans or the nationals of small European countries (Sweden or Switzerland) for this purpose, if they should agree to the idea.

January 6, 1945

India - Suggested Action for Improvement in Indian
Political Situation

The Indian situation remains a festering sore, prejudicial to the position of the white races in the eyes of the Asiatics and a threat to the peace of the post-war world. While the complete failure of the recent Gandhi-Jinnah conversations support the British contention that any change in the status quo is impossible at the time, the situation continues properly to be one of grave concern to this Government.

The British have repeatedly declared that the broad principles of the so-called Cripp's Proposals represent the settled policy of the British Government towards India. As some confusion regarding the British position nevertheless exists in the public mind both here and in India, and in order that the far-reaching concessions which the British have stated they are prepared to make may be widely known, it seems desirable that a clarification of the British position, through a formal restatement of British intentions towards India, be made at this time. Points which might appropriately be emphasized in any such formal statement are:

- 1) Britain's commitment to recognize a completely self-governing India under the terms of the Cripps proposals immediately after the cessation of hostilities;
- 2) The fact that while these proposals suggest the machinery for the creation of a new constitution, any other method of procedure agreed upon by the principal political parties of India will be acceptable to the British Government;
- 3) The contention that Great Britain prefers to see India united and that the question of unity or separatism has not been prejudged but has been left for decision to the groups in India immediately concerned;
- 4) A genuine willingness of the British to facilitate at the present time in every way possible the attainment of a satisfactory and peaceful settlement. (An earnest of this willingness would be the release of those members of the Congress Working Committee who are prepared to adopt a constructive attitude towards the prompt and amicable settlement of India's problem. Among the members of the Working Committee who could be expected to adopt such an attitude would be Nehru and Azad.)

January 6, 1945

Imperialism Versus an Enlightened Colonial Policy in the Area
of the South East Asia Command

At the present time political policies of the South East Asia Command appear to be based almost exclusively on concepts looking to the reestablishment of the colonial empires of the European powers concerned, with the British political staff, supported by the Dutch and French representatives, formulating and directing all political policies for the area. The Chinese representatives, not being taken into full confidence, play no significant political or military part in the headquarters. Thus the United States becomes the only significant non-colonial partner of the SEAC.

Because of this partnership, the U.S. cannot avoid some measure of responsibility for the political policies of that Command, and in fact because of the existing military association, it is increasingly difficult for the U.S. to avoid becoming in the eyes of the Asiatics and colonial peoples politically indistinguishable from the European colonial powers.

Our interest in contributing wherever possible to the defeat of Japan, in providing aid to China, and in assuring a means of supply to our forces in China, as well as our general relations with the European colonial powers, appears to preclude any diminution of our activities in SEAC. It seems, therefore, extremely important to seek at once collaboration and agreement with the British, the Dutch, and the French in the declaration and subsequent operation of a progressive and forward-looking program for non-self-governing peoples. So long as the colonial powers fail to implement some such program, there can be expected from the native peoples increasing bitterness and antagonism. The United States, as the close associate and ally of the colonial powers, will share with the latter that enmity. Furthermore, failure to reconcile our objectives and interests in SEA has already resulted, according to reliable reports, in bitterness and antagonism between the American and British personnel of SEAC to an extent sufficiently serious to be a factor in Anglo-American relations.

Soviet Russia, on the other hand, appears to be benefiting by present developments. Its policies and ideologies have gained a real hold over many progressive leaders in Asia and nearby areas. The Soviet's power, position and growing influence in SEA are factors which must receive serious consideration. If Soviet Russia is prepared to cooperate with us and to support our policies towards Asia, those policies appear to be assured of success. If U.S. policies in this area are unacceptable to Soviet Russia, it is most important that this be ascertained, in order that the position of the U.S. may be properly evaluated.

SUMMARY

January 6, 1945

FUTURE STATUS OF TANGIER

We are about to enter into technical discussions with the British regarding the future status of the International Zone of Tangier.

Among the suggestions that have been made is that after the war Tangier might become the seat of a Western Mediterranean Security Commission, in which the United States, the United Kingdom, France, Russia and possibly others might participate.

The immediate problem, however, is to consider how long the Spanish should be allowed to continue their unilateral occupation of the Zone or whether they should be invited to leave. It is possible that they will leave voluntarily, though this is not probable. Failing this, the interested nations might request them to leave just prior to or immediately after the close of hostilities in Europe. In either case, pending the establishment of a permanent regime for the International Zone, we must provide for the interim period following the departure of the Spanish occupying authorities. It is being suggested to the Secretaries of War and Navy, for possible submission to the Joint Chiefs of Staff, that the possibility be explored of sending a combined British and American force to occupy and administer the Zone temporarily immediately upon the departure of the Spanish.

The attitude of the other interested powers, particularly the French, must be taken into consideration. France's interest in the Zone is of long standing and the French appear to be making definite plans regarding their post-war position there. It is probable that sooner or later France will have to be included in the discussions.

FUTURE STATUS OF TANGIER

The question of the future status of the International Zone of Tangier has been the subject of preliminary talks between officials of the British and American Governments, and matters have now reached the stage where it is expected that detailed exchanges of views on the various technical aspects of this question will take place in further conversations in the near future. The American Government has already demonstrated its interest in the status of the Tangier Zone, an interest which has grown out of developments in the present world conflict and particularly out of the illegal Spanish occupation of the Zone. Future conversations, therefore, will not only touch upon the question of the restoration of the International Regime and the revision of the Tangier Statute of 1923, but also will deal with the extent of the future possible participation of the United States in the administration of the International Zone.

It appears to be the consensus of opinion of the interested friendly powers that the continued occupation of the Zone by Spain should not be tolerated much longer, certainly not after the war. Accordingly, there are two aspects of this problem which should receive serious consideration at an early date. They are:

1. The introduction of a provisional, or interim, regime to take over at an opportune time the administration of the Zone from the existing Spanish administration in order to prepare the way for:
2. The establishment

2. The establishment of a permanent international regime to replace that abolished by the unilateral action of Spain.

The question of the departure of the Spanish and the interim occupation and administration of the Zone is being taken up at length in communications to the Secretary of the Navy and the Secretary of War for possible presentation to the Joint Chiefs of Staff. One procedure which has been suggested is that a combined force of British and American troops (or, failing this, a force of British troops from Gibraltar) should occupy and administer the Zone in a temporary capacity immediately upon the departure of the Spanish. The Spanish may, for various reasons, depart from Tangier toward the end of the war on their own initiative, although by so doing they would, of course, lose all claim to the dominant position in the International Zone which they so obviously desire. While a voluntary departure is hardly to be expected, it would be unwise to fail to be prepared for such a contingency.

If the Spanish do not depart voluntarily, it is proposed that at a suitable moment following, or just prior to, the conclusion of hostilities, the Governments of Great Britain and the United States bring pressure to bear upon Spain to transfer its exercise of authority in Tangier to a High Commissioner representing those two powers (possibly in the name of the United Nations). The High Commissioner should be accompanied by a military force, to preserve order, and by such civil

affairs

affairs officers as may be required to administer the Zone in the interim period. Such action should be accompanied, or preceded by, assurances to all interested powers that this action is of a temporary nature and that its purpose is to insure the security of passage through the Straits of Gibraltar pending the establishment of a permanent regime.

In formulating plans for a permanent regime it has been suggested that a Western Mediterranean Security Commission be formed under the sponsorship of the United States and Great Britain and such other major powers as may be interested, such as Russia, which Commission would occupy itself with all matters relating to the security of the Straits and their approaches. This Commission would assume the duty of appointing the major executive officers of the Tangier International Administration. In the organization of a permanent regime consideration might also be given to the possibility of including the administration of the International Zone of Tangier within the framework of the International Security Organization which is expected to be set up after the war.

While the proposals made with respect to the interim regime call for action on the part of the British and American Governments only, it may be desirable to include other nations in the discussions at an appropriate time. For example, it has been suggested that Russia might take part in the organization of the permanent regime to be established. The interest of the French in the Zone is undeniable and dates from the time of the establishment of the French Protectorate over Morocco; accordingly, it will probably be desirable to include the French, sooner or later,

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in any discussions.

It is not contemplated that Spain--which, with France, exercised dominant control over the International Zone before the war--play any part in the interim administration. Upon the establishment of the interim regime however, assurances could be given to Spain, and to other interested neutral Governments such as Portugal, Sweden and Turkey, that the purpose of the action taken is to ensure the security of passage through the Straits of Gibraltar and that, if they so desire, it is proposed to associate them in whatever future international administration may be framed for Tangier.

FAR EAST

FAR EAST

- 1) China
 - (a) Political and Military Situation if U.S.S.R. enters war in Far East.
 - (b) Unity of Anglo-American-Soviet policy.
 - (c) Short-range objectives and policies.
 - (d) Long-range objectives and policies.
- 2) Inter-Allied consultation regarding Japan.
- 3) Inter-Allied consultation regarding Korea.
- 4) Future Status of Thailand.
- 5) Indochina.

POLITICAL AND MILITARY SITUATION IN CHINA IN THE
EVENT THE U.S.S.R. ENTERS THE WAR IN THE FAR EAST

1

BACKGROUND:

Territory now controlled by the Chinese Communists covers large portions of North China and disconnected areas to the east and south. Reports also indicate that Communist underground strength in Manchuria is considerable. The Communists claim to have 500,000 regular troops and 2,000,000 militia. The soldiers are poorly equipped but are well-trained in guerrilla warfare and are in good physical condition.

Inner Mongolia lies between Outer Mongolia and the northern areas under Chinese Communist control. The Chinese armies in Inner Mongolia are of poor quality. They are passively hostile to the Communist armies.

It is reasonable to anticipate, or one must at least be prepared for the eventuality, that one line of attack by Russian armies would be from Outer Mongolia, where military strength could be amassed in advance of hostilities, through Inner Mongolia toward Shanhaikuan, the principal gateway between North China and Manchuria. After traversing Inner Mongolia, the Russians would have on their right flank Chinese Communist armies.

(When he returned from Chungking last spring, the Chinese Ambassador made the disturbing comment to Mr. Vincent that, in the event Russian troops attacked Japan through north China, the Chinese Government had plans which would prevent contact between Russian troops and Chinese Communist troops. However, it may be assumed that the Russians would not be deterred from making use of Chinese Communist forces by any attitude or actions of the Chinese Government.)

SOLUTION:

It is of course highly desirable that embarrassment and difficulties, political or military, be avoided in the event of Russian military operations in north China. The obvious and reasonable solution would be a working agreement between the Chinese Government and the Communists which would establish a unified Chinese military command to work with the Russian command. There is, however, doubt that such a working agreement will be reached.

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An alternative solution would be an over-all American command of Chinese troops. If Russia enters the war in the Far East, it would be highly advantageous to have in China such a command rather than a disunited Chinese command. Furthermore, it would make practicable supply of ammunition and demolition material to the Communists and would obviate political difficulties in the event of coastal landings adjacent to areas under Communist control. And finally, an American command could serve as a stabilizing influence in the period immediately following the conclusion of hostilities in China.

RECOMMENDED ACTION:

Continuation of efforts to bring about a settlement between Chinese Government and Communist leaders which would bring about united military command and action.

At the same time negotiations looking toward the establishment of an over-all American command in China directly under the Generalissimo. Institution of such a command may not be immediately feasible but the groundwork should be laid to enable smooth establishment of such a command if and when developments make such a step advisable.

In the event neither of these courses of action bring about the desired results, it is recommended that this Government, and the British Government, lend no support to a policy by the Chinese Government which might impede Russian military action against Japan. On the positive side, the two Governments should make every effort to bring about cooperation between all Chinese forces and the Russian military command in order to prevent military developments from further widening the gap between the Communists and the Chinese Government and increasing the possibility of a disunited China after hostilities.

UNITY OF ANGLO-AMERICAN-SOVIET
POLICY TOWARD CHINA

SUMMARY

There exist areas of potential discord between our policies and those of the United Kingdom and the U.S.S.R. toward China. There appear to be elements among the British who, out of imperial considerations, desire a weak and possibly disunited China in the post-war period. Some apprehension has been voiced lest the Russians may utilize the Chinese Communists to establish an independent or autonomous area in north China or Manchuria.

We recommend that we assume the leadership in assisting China to develop a strong, stable and unified government in order that she may become the principal stabilizing factor in the Far East. We also recommend that we seek British and Russian cooperation to achieve this objective.

UNITY OF ANGLO-AMERICAN-SOVIET POLICY TOWARD CHINA

There exist areas of potential discord between our policies and those of the United Kingdom and the U.S.S.R. toward China. At present, the British recognize that China is a theater of primary concern to us in the prosecution of the war, and the Russians desire to see established in China a government friendly to them. But the progress of events during the war and in the immediate post-war period may develop discords detrimental to the achievement of victory and peace -- detrimental to our objective of a united, progressive China capable of contributing to security and prosperity in the Far East.

An unstable, divided, and reactionary China would make stability and progress in the Far East impossible, and would greatly increase the difficult task, which will be largely ours, of maintaining peace in the western Pacific. A strong, friendly China would do much to lighten our task and to promote mutually beneficial cultural and commercial intercourse.

It is not enough that we merely hope for a strong, friendly China or that we simply pursue the negative policies of the pre-war period. We should assume the leadership in the development of the kind of China that will contribute toward peace in the Pacific in cooperation with the United Kingdom and the U.S.S.R. We may reasonably expect that a strong, united China will cooperate with the United States, the United Kingdom and the U.S.S.R. in dealing with post-war Japan.

There is now Kuomintang China, Communist China, and puppet China. Kuomintang China is being weakened by dissident elements and widespread popular discontent. Communist China is growing in material and popular strength. Puppet China is filled with pockets of Communist guerrilla resistance. A partial settlement between the Kuomintang and the Communists would not eliminate the fundamental struggle for power, one aspect of which will be competition to win over the

puppet

puppet troops as Japan is driven from China. The only hope of preventing civil war and disunity will lie in the creation of a democratic framework within which the opposing groups can reconcile their differences on a political level.

There are reports that elements among the British out of imperial considerations desire a weak and possibly disunited China in the post-war period. The British are undoubtedly less optimistic -- more cynical -- than we are regarding the future of China but neither the British Government nor the British people will derive benefit from an unstable China in the post-war period.

Some apprehension has been voiced lest the Russians may utilize the Chinese Communists to establish an independent or autonomous area in north China and Manchuria. There is nothing in Russia's present attitude as officially disclosed to us to substantiate those fears. But if Russia comes into the war in the Far East, or if an open break between the Kuomintang and the Communists occurs, Russia may be strongly tempted to abandon its policy declared in 1924 of non-interference in China's internal affairs.

It is our task to bring about British and Russian support of our objective of a united China which will cooperate with them as well as with us. The British attitude is characterized by skepticism and is influenced by a residue of nineteenth century thinking. We hope that the British, given a clear knowledge of our objective and assurance that we mean to work consistently and energetically for that objective, will support our efforts. The Russians primarily want a China friendly to them. We should give Russia definite assurance that we too desire and are working for a united China friendly to all its neighbors.

Our policy toward China is not based on sentiment. It is based on an enlightened national self-interest motivated by considerations of international security and well-being. Unless the United Kingdom and the U.S.S.R. are in substantial agreement with us it is doubtful whether we can accomplish the objective of our policies.

**OUTLINE OF SHORT-RANGE OBJECTIVES AND POLICIES
OF THE UNITED STATES WITH RESPECT TO CHINA**

The principal and immediate objectives of the United States Government are to keep China in the war against Japan and to mobilize China's full military and economic strength in the vigorous prosecution of the war. To accomplish these objectives the United States Government has undertaken the following measures:

(a) Direct Military Assistance to China and the Chinese Armed Forces

We are keeping China in the war by supplying war materials to the Chinese armed forces, by maintaining an effective air force in China and an American expeditionary force based in India but operating in northern Burma with the participation of Chinese units, and by flying into China a substantial quantity of munitions and war materials. It is this Government's policy to encourage and to assist, in so far as transportation of supplies permits, effective participation by Chinese armies in the war against Japan. To this end we are also engaged in training numbers of Chinese troops.

(b) Promotion of Effective Sino-American Military Cooperation

Sino-American military cooperation has been strengthened since the appointment of General Wedemeyer as commander of the China area and we hope that it will become increasingly effective. There would be advantages from a political and probably from a military point of view if an American officer should be given command of all Chinese and American forces in China.

(c) Encouragement to the Chinese to Contribute their Maximum Effort in the War

Internal disunity, economic instability (including severe inflation), lack of supplies and general war weariness are greatly impeding China's war effort.

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It is this Government's policy to support and encourage all measures designed to resolve these difficulties. Through the exercise of friendly good offices our Ambassador is endeavoring to promote greater internal unity, including the reconciliation of the fundamental differences between the Chungking Government and the Communist group. The establishment of a Chinese WPB as a result of Mr. Donald Nelson's mission should result in increased production of certain types of military equipment and in an improvement in the problem of supply. Arrangements are being completed for the shipment of increased quantities of Lend-Lease materials into China, including spare parts for industrial equipment, raw materials, several thousand heavy trucks, a complete oil refining unit and a substantial number of small power plants. Inflation in China, which has been a serious obstacle to maximum war effort, may be partially checked by such measures and by the shipment into China of small quantities of consumer goods.

This Government believes that China can and should make every effort to collaborate with us to the full extent of her capabilities in the vigorous prosecution of the war. We consider that the Generalissimo should continue earnestly to seek to bring about internal unity, that he should take immediate measures adequately to feed and clothe his troops and that he should strengthen national morale and increase popular participation in the war by the introduction of fundamental governmental reforms.

OUTLINE OF LONG-RANGE OBJECTIVES AND POLICIES
OF THE UNITED STATES WITH RESPECT TO CHINA.

SUMMARY

The American Government's long-range policy with respect to China is based on the belief that the need for China to be a principal stabilizing factor in the Far East is a fundamental requirement for peace and security in that area. Our policy is accordingly directed toward the following objectives:

1. Political: A strong, stable and united China with a government representative of the wishes of the Chinese people.
2. Economic: The development of an integrated and well-balanced Chinese economy and a fuller flow of trade between China and other countries.
3. Cultural: Cultural and scientific cooperation with China as a basis for common understanding and progress.

OUTLINE OF LONG-RANGE OBJECTIVES AND POLICIES
OF THE UNITED STATES WITH RESPECT TO CHINA.

The American Government's long-range policy with respect to China is based on the belief that the need for China to be a principal stabilizing factor in the Far East is a fundamental requirement for peace and security in that area. Our policy is accordingly directed toward the following objectives:

1. Political: A strong stable and united China with a government representative of the wishes of the Chinese people:

a. We seek by every proper means to promote establishment of a broadly representative government which will bring about internal unity, including reconciliation of Kuomintang-Communist differences, and which will effectively discharge its internal and international responsibilities. While favoring no political faction, we continue to support the existing Government of China as the central authority recognized by the Chinese people and we look for the establishment within its framework of the unified and effective type of government that is needed.

b. Should these expectations fail of achievement and the authority of the existing government disintegrate, we would reexamine our position in the light of the manifested wishes of the Chinese people and regard sympathetically any government or movement which gave promise of achieving unity and of contributing to peace and security in eastern Asia.

c. We regard Sino-Soviet cooperation as a sine qua non of peace and security in the Far East and seek to aid in removing the existing mistrust between China and the Soviet Union and in bringing about close and friendly relations between them. We would interpose no objection to arrangements voluntarily made by China and the Soviet Union to facilitate the passage of Soviet trade through Manchuria, including the possible designation by the Chinese Government of a free port.

d. We consider cooperation between China and Great Britain to be an essential part of United Nations'

solidarity

solidarity and necessary for the development of China as a stabilizing factor in the Far East. We would welcome the restoration by Great Britain of Hong Kong to China and we are prepared in that event to urge upon China the desirability of preserving its status as a free port. Should other territorial problems arise between the two powers, we would hope to see them settled by friendly negotiation.

e. We favor the establishment by China of close and friendly relations with Korea, Burma, Thailand, Indochina and other neighboring areas. We do not favor Chinese domination or political control over such areas.

f. We believe that China's territorial integrity should be respected, including her claim to sovereign rights over such outlying territories as Tibet and Outer Mongolia. We would not oppose, however, any agreements respecting those territories reached by process of amicable negotiation between China and other interested governments. We hope that the Chinese Government will meet the aspirations of the native peoples of such territories for local autonomy.

g. In line with the policy enunciated at Moscow and the pattern outlined at Dumbarton Oaks, we offer and seek full collaboration with China as an equal among the major sovereign powers entitled and needed to share primary responsibility in the organization and maintenance of world peace and security.

2. Economic: The development of an integrated and well-balanced Chinese economy and a fuller flow of trade between China and other countries. Toward these objectives we intend to:

a. Continue to give to China all practicable economic and financial assistance which she may request within the framework of our traditional principles of equality of opportunity and respect for national sovereignty and the liberal trade policies to which this Government is endeavoring to secure general adherence.

b. Negotiate with China a comprehensive treaty relating to commerce and navigation on the basis of unconditional most-favored-nation treatment and looking toward the elimination of all forms of discriminatory

treatment.

treatment.

c. Give practicable assistance to China in connection with her efforts to plan an integrated and well-balanced economy, with particular reference to agriculture, transportation, communication and industry. Such assistance would be extended at China's request.

d. Make available such technical assistance as may be desired by China, including the training of Chinese technicians in the United States.

e. Provide such financial assistance as may be appropriate in the light of conditions obtaining in China, largely through private financing and investment.

f. Promote American trade with China by all practicable means to the mutual benefit and advantage of China and the United States.

In extending such forms of support, we propose to take careful cognizance of the commercial policies of the Chinese Government and of actual conditions affecting American trade with and in China.

3. Cultural: Cultural and scientific cooperation with China as a basis for common understanding and progress:

a. We consider most essential closer association between China and other United Nations in cultural and scientific fields. Toward that end we are undertaking in various ways to promote between the Chinese and American peoples a better appreciation of each other's thought and culture and to make available to China scientific knowledge and assistance which she needs for her development and contribution to international progress.

INTER-ALLIED CONSULTATION REGARDING JAPAN

SUMMARY

It is desirable that there be reached a community of views with the British Government on the subject of which members of the United Nations at war with Japan should participate (1) in the formulation of policies and procedures relating to the unconditional surrender, the occupation and military government, and the post-surrender treatment of Japan, and (2) in the actual occupation and military government of Japan.

In regard to the first problem, it is our view that the Big Three (or Four, if the Soviet Union is included) should first consult among themselves with a view to reaching provisional agreements on the various questions, and then should invite the other United Nations actively participating in the war against Japan to express their views. Upon receipt of suggestions thus obtained, the Big Three (or Four) might formulate definitively the basic policies and procedures and convey these to the other United Nations actively engaged in the war against Japan.

In regard to the second problem, it is our view that contingents from all nations, Asiatic as well as Caucasian, actively participating in the war against Japan should be included in the army of occupation and in the military government of Japan.

Problem: What members of the United Nations at war with Japan should participate (1) in the formulation of policies and procedures relating to the unconditional surrender, the occupation and military government, and the post-surrender treatment of Japan, and (2) in the actual occupation and military government of Japan?

Discussion:

(1) What nations should participate in the formulation of policies and procedures relating to the unconditional surrender, the occupation and military government, and the post-surrender treatment of Japan?

The Declaration by United Nations provides that "each government pledges itself ... not to make a separate armistice or peace with the enemies". If only a limited number of nations actually formulate the instrument of unconditional surrender for Japan and the documents containing the measures to be applied by the United Nations as a concomitant of this surrender, the procedure might be interpreted by the other signatory governments as running counter to the above pledge. Moreover, in the Cairo Declaration it was stated that "the three Allies in harmony with those of the United Nations at war with Japan" will persevere in the operations necessary to procure the unconditional surrender of Japan. The implication in both of those quotations is that all of the United Nations at war with Japan should participate in determining the policies and procedures to be followed in connection with the surrender of Japan; but there is no clear implication that they must necessarily participate in drafting the longer-term measures with which Japan must comply after surrender.

Certain developments, particularly the issuance of the Anzac Agreement, indicate a feeling of resentment among the smaller nations in not being permitted to participate in many of the basic policy decisions of the war. It is probable that their resentment will be intensified if they are not consulted on the problems bearing on the surrender, occupation, military government and post-surrender treatment of Japan.

The members

The members of the United Nations other than the Big Three Powers (or Four, if the Soviet Union is included) may give their approval to the unconditional surrender of Japan without having participated in prior discussions of surrender procedures. It may be, however, that all the powers actively engaged in the war against Japan will wish and will feel entitled to be consulted in the formulation of the policies connected with the unconditional surrender and relating to the disarming, control and administering of Japan during the early part at least of the period of military government.

At the same time, it is reasonable to assume that those countries which are actively participating in the war against Japan will have the major responsibility for carrying through whatever policies may be adopted. Consequently, those countries, rather than all of the United Nations at war with Japan, should logically determine the basic policies and procedures to be followed in connection with Japan's unconditional surrender.

Probably the most desirable method of reaching decisions on these policies and procedures would be for the United States, the United Kingdom and China (and the Soviet Union if it has then entered the war against Japan) first to consult among themselves; second, to reach a provisional agreement among themselves; and then to invite the other United Nations which have actively participated in the war against Japan to express their views. Among the latter might well be included Australia, New Zealand, Canada, the Netherlands, and the Commonwealth of the Philippines. After receiving their suggestions the leading powers might formulate definitively the documents containing the basic policies and procedures and transmit those documents to all of the United Nations which have actively participated in the war against Japan.

As the possibility cannot be excluded that the war with Japan will end suddenly, and as the procedure outlined above will require considerable time, it is believed advisable that agreement with the principal powers concerned in regard to the matter be reached as soon as possible.

(2) What members of the United Nations at war with

Japan

Japan should participate in the actual occupation and military government of Japan?

It appears to be generally recognized that the major responsibility for the prosecution of the war and for military government in the central Pacific area and in Japan falls upon the United States forces. However, Article II of the Moscow Declaration, which provides that the signatories "at war with a common enemy will act together in all matters relating to the surrender and disarmament of that enemy" would appear to contemplate joint rather than unilateral action in regard to the occupation and military government of Japan after the surrender or complete defeat of that country.

Various political factors also enter into consideration of this matter. It would seem advisable to impress upon the people of Japan that they were at war not only with the United States but also with the peoples of the greater part of the civilized world. Therefore, contingents from all of the United Nations actively participating in the war against Japan might well be included in the army of occupation and in the military government. Moreover, in order to convince the Japanese people that the present war is not a racial war, as is claimed by their military leaders, it would appear advisable to include in the army of occupation contingents of Asiatic peoples, including Chinese, Filipinos, British Indians, and Indonesians. If resistance movements develop in other Asiatic countries, such as Korea, Thailand, and Burma, contingents from those countries might also be included in the army of occupation.

(From the viewpoint of American interests it also appears advisable that the nations, Asiatic as well as Caucasian, actively participating in the war against Japan be requested to participate in the occupation and military government of Japan. The enforcement of the terms of surrender and the control of Japan until such time as a trustworthy government emerges are apt to be long, difficult and costly processes, which the American people might support only grudgingly and impatiently. They might bear the cost and effort more willingly if assisted by other nations. Moreover, if, as seems likely, the peace terms to be imposed upon Japan are severe, it would seem advisable that the resentment which would be aroused in that country by those terms be diffused over as wide a group of nations as possible, rather than be concentrated upon the United States.)

The above

The above discussion is concerned primarily with the post-surrender or post-defeat period when all of Japan will be subject to occupation; during the actual combat period forces of occupation, if required for parts of Japan, will presumably be taken from the armies engaged in the combat operations. As the same political considerations would apply in such case as in the case of occupation after surrender, it would appear desirable that, if not prejudicial to the effectiveness of military operations, contingents from those Allied countries which have actively participated in the war against Japan be included in such combat forces.

INTER-ALLIED CONSULTATION REGARDING KOREA

SUMMARY

It is desirable that an understanding be reached with the British and Chinese Governments and depending upon developments, with the Soviet Government, on the question of what countries should participate (1) in the military occupation of Korea and (2) in an interim international administration or trusteeship for Korea if it is decided that such an administration should be established.

In reference to the first part of the question it is the view of the Department that the problems of Korea are of such an international character that with the completion of military operations in Korea, (1) there should be, so far as practicable, Allied representation in the army of occupation and military government in Korea; (2) such representation should be by those countries which have a real interest in the future status of Korea, such as the United States, Great Britain, and China and the Soviet Union if it has entered the war in the Pacific; and (3) the representation of other states should not be so large as to reduce the proportionate strength of the United States to a point where its effectiveness would be weakened.

As regards the second part of the question, it is the Department's tentative opinion that (1) an interim international administration or trusteeship should be established for Korea either under the authority of the proposed international organization or independently of it; and that (2) the United States, Great Britain, China and the Soviet Union should be included in any such administration.

THE PROBLEM

Which countries should participate 1) in the military occupation of Korea and 2) in an interim international administration or trusteeship for Korea if it is decided that such an administration should be established?

DISCUSSION

(1) Joint action in connection with the establishment of Korean independence is both important and necessary for the following reasons:

- 1) China and the Soviet Union are contiguous to Korea and have had a traditional interest in Korean affairs;
- 2) The United States, Great Britain and China have promised in the Cairo Declaration that in due course Korea shall become free and independent;
- 3) The military occupation of Korea by any single power might have serious political repercussions.

While the questions relating to the operations of Allied military, naval and air forces are admittedly of a purely military character and hence are not of direct concern to the Department, military operations and subsequent military occupation in Korea by any single state alone might have far-reaching political consequences. China would fear that exclusive Soviet responsibility for military government in Korea might lead to the growth of a Soviet sphere of influence in Manchuria and north China. Likewise, the Soviet Union would be resentful of any arrangement whereby China would have exclusive responsibility for military government in Korea after the cessation of hostilities. It is our view, therefore, that with the completion of military operations in Korea, there should be, so far as practicable, Allied representation in the army of occupation and in military government in Korea and that such military government should be organized on the principle of centralized administration with all of Korea administered as a single unit and not

as separate

as separate zones. Such representation should be by those countries which have a real interest in the future political status of Korea, but the representation of other states should not be so large as to prejudice the effectiveness of American participation in that occupation. An important element in American participation consists of the trust which Koreans will place in the United States not to harbor imperialistic designs. The United States, therefore, should play a leading role in the occupation and military government.

Studies on post-war Korean problems are now being undertaken by the Department and the British and Chinese Foreign Offices, based on a draft questionnaire which relates to various political, military and economic aspects of post-war Korea. When these studies have been completed, references on these questions will be exchanged informally without in any way committing the respective Governments on matters of policy. Informal bilateral parallel discussions will then be held to clarify points of difference.

The question of which countries should participate in the military occupation of Korea is of immediate importance and should receive careful consideration because 1) at the request of the British Foreign Office, the problems of military occupation in Korea are not included among those questions now being studied in the Department and by the British and Chinese Foreign Offices, 2) the entrance of the Soviet Union in the war against Japan would result in the presence of Soviet forces in Korea which would be an important factor in determining the composition of the occupational forces, and 3) the traditional interest of the Soviet Union in Korea raises the possibility that it will wish to participate in the military occupation of Korea even though the Soviet Union may not enter the war in the Pacific.

- (2) The second important question concerning Korea prior to independence is what countries should participate in an interim international administration.

or

or trusteeship for Korea if it is decided that such an administration should be established. In order to reduce to a minimum the period of military occupation of Korea and at the same time to prepare the Korean people for the responsibilities which will come with independence, it is our present opinion that there should be in Korea, following the period of occupation and prior to the establishment of Korean independence, some form of international administration or trusteeship, such administration or trusteeship to function until such time as the Koreans are able to govern themselves.

If an interim international administration or trusteeship is established for Korea under the authority of the projected international organization, that organization would presumably appoint as trustees those countries principally interested in Korea including the United States, Great Britain, China and the Soviet Union. Moreover, even if an interim administrative authority for Korea is established independently of the projected international organization, the United States, Great Britain, China and the Soviet Union would naturally take an active part in such an administration. The position of the Soviet Union in the Far East is such that it would seem advisable to have Soviet representation on an interim international administration regardless of whether or not the Soviet Union enters the war in the Pacific.

The studies on problems of post-war Korea have not yet progressed far enough to enable the Department to make recommendations on either the exact structure of any interim international supervisory authority for Korea, or the time when Korea should be granted independence. However, it is the view of the Department that an agreement should be reached at an early date among the principal interested powers on the question of whether an interim international supervisory authority is to be established for Korea and if so what powers are to be represented thereon in order to avoid the possibility of an extended period of occupation and to prevent an unnecessary postponement of Korean independence.

FUTURE STATUS OF THAILAND.

British policies towards Thailand are divergent from ours. The British regard Thailand as an enemy and it is their view:

1. That Thailand's postwar independence should be conditioned on its acceptance of "special arrangements for security or economic collaboration ... within an international system".
2. That the peninsula of Thailand from Malaya to about 12° north latitude should be considered a vital strategic area and its defense under international security arrangements be undertaken by a protecting power or by an international consortium. This is reported to be the opinion of Mr. Churchill. Such action might substantially impair Thai administrative rights in the area.
3. That actual military government will not be needed, except perhaps in combat zones. However, they believe that an Allied Control Commission should be established in Thailand, which should be continued for some time.
4. That they should not deal at the present time with any Thai Government.

In contrast, we do not regard Thailand as an enemy but as an enemy-occupied country. We recognize the Thai Minister in Washington as "Minister of Thailand" with a status similar to that of the Danish Minister. We favor a free, independent Thailand, with sovereignty unimpaired,

and

and ruled by a government of its own choosing. Thailand is the one country in Southeast Asia which was still independent before the war. We believe that it would be prejudicial to American interests throughout the Far East if, as the outcome of the war in which we will have had the major part in defeating Japanese aggression, Thailand should be deprived of any of its prewar territory or should have its independent status impaired. The history of European pressure on Thailand and of European acquisition of territory in Southeast Asia is vivid in Asiatic memories. This Government cannot afford to share responsibility in any way for a continuance towards Thailand of prewar imperialism in any guise.

Within Thailand, the administration which first yielded to Japan and which was notoriously collaborationist has been replaced by an administration largely controlled by Pradist, present Regent, most respected of Thai leaders and opponent of Japan from the first. American contact has been established with Pradist who is actively aiding Allied intelligence work and who has expressed his desire that Thailand enter the war against Japan and that the Thai army fight by the side of the Allies.

It is the view of the Department that an effort should be made to persuade the British to alter their plans so that they are not inconsistent with our own. It is believed that if Thailand joins in the war against Japan she should be treated as a liberated country and her government be recognized, at least provisionally. Although there are disadvantages from a political viewpoint in having American troops, except where militarily essential, participate in the recovery of European colonial areas, there would be advantages from a political viewpoint in having American troops under independent American command responsible for the liberation of Thailand, rather than in having Thailand occupied as enemy territory by British forces. Whether or not American forces should be used in Thailand, however, is a question which would presumably be decided in the light of over-all strategic considerations.

Attached is a brief memorandum regarding the Regent Pradist.

REGENT PRADIST OF THAILAND

The present sole Regent of Thailand (the King will not come of age until next September 20) is Luang Pradist, a statesman held in high respect in Thailand. He conceived the plans for the original revolution which established a constitutional monarchy in June 1932. He drafted the provisional constitution and helped in the revision of the constitution which was finally accepted in December 1932. He drafted an economic scheme for the reorganization of the national economy which was regarded as communistic by the conservatives but which has been carried out in part. Pradist has held three ministerial portfolios--Interior, Foreign Affairs, and Finance. In December 1938, he lost the struggle with Pibul for the Premiership.

It is reported that when the Japanese demand for troop transit was made on Thailand on December 7, 1941, Pradist, in the absence of Pibul from Bangkok, ordered Thai resistance to any Japanese invasion, but the next day Pibul, upon his return, directed the army to cease resistance. Thereupon Pradist and his supporters are said to have made a serious attempt to escape from Bangkok to north Thailand with part of the army to establish an independent regime. After the failure of this attempt, it is asserted that Pradist organized a secret Free Thai Committee which became active in resisting the Japanese and in opposing the Pibul Government. It is generally believed that the overthrow of the Pibul Government is an indication of the success of Pradist's organization in gaining the active support of the Thai people.

American contact with Pradist was established some weeks ago. Several messages from him have been received. He has stated that the Thai declaration of war by the Pibul Government is considered unconstitutional and contrary to Thai public opinion; that the Thai authorities desire to oust the Japanese as soon as possible; and that they are working within Thailand for independence. His messages also indicated that the Thai would gladly furnish military cooperation to the Allies; that Thailand hopes to be recognized as an Ally and to continue as a free nation after the war; that no agreement has been made by

Thailand

Thailand with the British or with Indochina; and that this new year will bring complete victory for the Allies, with democracy triumphant in all the world.

Pradist's organization in Thailand is rendering effective assistance to Allied intelligence work. Thai contributions in this respect and in Thai passive non-cooperation with the Japanese are understood to have been worth more to the military authorities than partisan activities and sabotage would be at this stage.

INDOCHINA

With regard to Indochina, in addition to the question of our relations with France and Britain in world affairs, the following factors are important as affecting our position in the Far East:

1. China is deeply interested in the security of its southwestern flank to which French collaboration admitted the Japanese.
2. China desires a free port at Haiphong and release from the economic stranglehold which the French formerly exercised through the Yunnan Railroad.
3. China apparently is continuing to give support to the Annamite Revolutionary Party, which is seeking Indochinese independence.
4. There is substantial sentiment for independence or self-government among the Indochinese.
5. French plans for the future of Indochina contemplate increased native opportunity in business and participation in the government, but oppose Indochinese self-government.
6. French and British preparations for French military participation in Indochina operations continue. General Balizot, head of the French Military Mission at Kandy, is planning shortly to assign a staff officer to Allied headquarters in Chungking. SHAEF has informed the French that it has no objection to its recruiting and training a corps in southern France for Indochina service, if it does not handicap Allied communication lines and if the French provide their own equipment. It is reported that a French group has been appointed as a civil affairs advisory section in the Civil Affairs and Information division, SEAC, to deal with questions pertaining to Indochina.
7. The United States may have little practical influence on the future of Indochina if French and British

forces

forces are in possession of the country at the conclusion of the war unless advance agreement is reached with the French and British.

8. American influence among Asiatic peoples will suffer if the status quo ante is reestablished in Indochina. The United States, as the dominant power in the Pacific War, cannot in their eyes escape a major responsibility for post-war arrangements in the Far East.

9. It is desirable that our policies toward Indochina should be consistent with our policies toward the other countries in Southeast Asia.

Attached is a summary of French and British activities relating to military operations in Indochina.

FRENCH AND BRITISH ACTIVITIES -
MILITARY OPERATIONS IN INDOCHINA.

SUMMARY

Early in October 1943, the French Committee of National Defense decided to establish a French expeditionary force to participate in the liberation of Indochina. General Blaizot was given the Command.

In November 1943, the British War Office and the Foreign Office gave their consent in principle to the sending in due time of the French expeditionary force, but informed the French that formal decision rested with the Prime Minister.

On December 13, 1943, the sending to Delhi of a Military Mission under General Blaizot "with the approval of the British War Office" was communicated by the French Committee to the State Department.

In March 1944, Admiral Mountbatten gave his approval to the immediate sending of a French Military Mission to be accredited to the SEAC, the sending of a special French force to India, (its sole liaison with SEAC to be carried out with the British SOE) and the sending in due time of a French expeditionary force.

On May 24, the French Commissariat of Foreign Affairs addressed a note to the British representative at Algiers requesting formal approval of the proposals accepted by Admiral Mountbatten.

During the summer, the British arranged to drop French agents in Indochina, one carrying a letter from de Gaulle, to contact possible French resistance forces. British SOE agents were directed by the Foreign Office to have nothing to do with Annamites or other native groups in Indochina.

On August 26, Lord Halifax left with the Department an aide memoire informing us that the French had requested British approval of the three proposals mentioned, and in addition, that they should participate in planning the war against Japan and should participate in planning political warfare in the Far East. In the aide memoire British approval was expressed and American approval of the Military Mission and of the sending of the special French force to India was requested. It was indicated, also, that the

British

British disapproved of French participation in planning the war against Japan, approved the later sending of an expeditionary force, and approved of French participation in planning political warfare "in areas in which the French are interested", this to be "a matter for arrangement between the SEAC and the French Military Mission".

On August 30, the French Committee issued a statement that "The fate of the union of Indochina will be settled according to the wishes of all the peoples of the union, between the Government of the Republic and the Japanese Government and it will be done through armed force".

In September, the French Ministry of the Navy announced that volunteers were being registered in connection with the campaign for the reconquest of Indochina.

Early in October, Admiral Mountbatten informed his staff that the United States had decided to recognize the de Gaulle Government and that, on the basis of a verbal agreement between the President and Mr. Churchill [sic], the French Military Mission would be officially recognized and have the same status as the Dutch and Chinese missions.

According to a usually reliable and well-informed source, during the meeting of Admiral Mountbatten and Mr. Churchill in Cairo in mid-October, Admiral Mountbatten urged the extension of his Command to include Indochina, and that operations there be conducted by French troops with British support.

On October 22, the French Ministry of War in Paris issued an appeal for recruits for service in the liberation of Indochina.

On October 24, General Blaizot and the French Military Mission of about fifty members arrived in Ceylon. Shortly thereafter it was accorded official status by SEAC.

Late in October, the British staff at SEAC, when informed that Indochina was included in the theatre of the Commanding General of the United States armed forces in China, telegraphed to the British Chiefs of Staff a protest drafted in large part by the Chief Political Adviser.

About

About this time, a detachment of 2,000 French troops who had been training in North Africa arrived in India to carry on further training. French paratroopers and other agents to be dropped into Indochina by parachute are also being trained in India.

At some time, presumably in November, SHAEF informed the French military authorities that it had no objection to the formation by the French in southern France of a two-division corps for Far Eastern service provided that this did not interfere with Allied lines of communication and that the French furnished their own equipment.

In London, special training is being given those recruited by the French in France for clandestine service in the east and for wireless operators.

On November 23, 1944, Lord Halifax left with the Department a second aide memoire urging American approval of the French Military Mission and French military participation in Indochina operations and also confirmation by this Government of a reported understanding between Admiral Mountbatten and the Generalissimo whereby either Command might engage in pre-operational activities in Indochina.

Twice during December, Lord Halifax pressed for a reply.

On December 21, 1944, Mr. Bennett, head of the Far East Department of the Foreign Office, speaking personally, but evidently voicing the views of the Foreign Office, stated that it was felt that, in the light of increasing French strength in world affairs, it would be difficult to deny French participation in Indochina operations.

On January 1, 1945, the Secretary of State was informed (1) that the French Naval Mission requested liaison between the air forces under General Wedemeyer and French resistance forces in Indochina and (2) that the French Naval Mission stated that General Blaizot would, in the near future, assign one of his staff officers to the Allied headquarters in Chungking.

A report was received on January 10, 1945, that a French group had been appointed as a civil affairs advisory section in the Civil Affairs and Information division in SEAC to deal with questions pertaining to Indochina.

LATIN AMERICA

LATIN AMERICA

- 1) Policy toward Argentina.
- 2) Soviet Union in relation to the Other American Republics.
- 3) British activities in the Other American Republics.
- 4) Main factors affecting present relations with the Other American Republics.
- 5) Current situation in the Other American Republics.

POLICY TOWARD ARGENTINA

The United States has refrained from entering into diplomatic relations with the government established in Buenos Aires by General Farrell in February, 1944. This position was based upon two factors: first, the failure of Argentina to observe her inter-American commitments for the defense of the hemisphere against the Axis; and, second, the development in Argentina of a regime embodying characteristics which were interpreted as a threat to the future peace of the American republics. It has been this government's policy not to recognize Argentina until its government by unequivocal acts had fulfilled its obligations and cooperated fully in the war effort. In this position the United States has received in general the cooperation of the other American republics and of the United Nations.

Our economic policy toward Argentina is to buy as little from them and sell as little to them as the necessities of the war permit. For the past several months purchases from and sales to Argentina have been held at a very minimum. The requirements of the war now demand that substantial purchases of oils and fats, hides, leathers, lead, etc., be made from Argentina.

THE SOVIET UNION IN RELATION TO
THE OTHER AMERICAN REPUBLICS

Political Relations

Largely because of admiration of the Soviet Union's war effort, interest in establishing relations with the U.S.S.R. has grown in the other American republics. Recently, fear of the Soviet Union's attitude toward the status in post-war settlements of nations without such relations has stimulated the trend. Opposition, by conservatives who fear increased communist influence in politics or other fields, or by Clericals who abhor materialistic aspects of communist doctrine, is strong in some republics.

Seven countries now maintain diplomatic relations with the Soviet Union. By dates of establishment, they are:

Cuba. October 17, 1942. The Cuban and the Soviet Ambassadors to Washington are, respectively, accredited also to Moscow and Habana.

Mexico. December 10, 1942. Mexico had established relations in August 1924, but had broken them in January 1930, primarily because of propaganda activities by the Soviet Legation.

Colombia. February 4, 1943. Colombia had recognized the Soviet Union in 1935.

Uruguay. July 28, 1943. Relations had been established by notes of August 22, 1926. Representatives were first exchanged in the spring of 1934. Propaganda activities of the Soviet Legation in Uruguay caused displeasure and, immediately because of a request from Brazil, which believed that Soviet agents in Uruguay were involved in Brazilian disturbances, Uruguay broke relations on December 27, 1935.

Costa Rica. May 8, 1944. Relations are maintained through the Mexican Ambassador to Moscow and the Soviet Ambassador to Mexico.

Chile. December 11, 1944. Representatives have not yet been exchanged.

Nicaragua

Nicaragua. December 18, 1944. The Soviet Ambassador to Mexico will present credentials also as Minister to Managua. Nicaragua has requested that the American Ambassador to Moscow represent Nicaraguan interests during the war.

Brazil, Ecuador and Venezuela seem most likely to establish relations with the Soviet Union in the relatively near future.

Brazil. President Vargas, though long opposed to Soviet ideas, has prepared the way for establishment of relations at such time as may most benefit Brazil. He has made his position known to the United States.

Ecuador. Concerted efforts by leftist elements to force the government to establish relations have been made since the revolution of May 28. Conservative opposition continues.

Venezuela. In spite of strong rightist opposition, President Medina's increasing dependence upon leftist groups including the technically outlawed Communist Party makes it probable that Venezuela will soon seek relations.

Soviet Activities

Political activities by the various Soviet Legations are widely believed in, in the other American republics. Nothing has been proved except that the American Embassy in Mexico received some evidence that Ambassador Oumansky furnished funds for the recent Central American revolutions. The Mexican Government is said to be so convinced of Oumansky's improper activities in that country that it is considering requesting his withdrawal. The Soviet representatives in the other American republics also maintain close relations with, and are believed to furnish guidance to, the local Communist Parties.

Extensive propaganda activities in the cultural field are carried on. The Soviet Union, and the Communist Parties, have been ably publicized as champions and practitioners of democracy and as the only true friends of labor. Accomplishments in warfare and in industry have been made well known. Technical experts have recently been offered, at least to Colombia.

BRITISH ACTIVITIES IN THE OTHER AMERICAN REPUBLICS

The British, through both official and business channels, are carrying on an aggressive program in the other American republics. Through well-prepared programs of publicity and cultural relations they are everywhere working to raise the prestige of Great Britain in the eyes of the Latin American people. These and other efforts are in large measure directed to the support of British economic interests in the other American republics and the resumption of an increased trade after the war.

Generally speaking British activities have not exceeded the bounds of what any leading power might be expected to do in order to advance its legitimate interests and present itself to other peoples in a favorable light. However, there is a deep and strong underlying current of competition between British and American business communities in the other American republics, each of which has viewed the activities of the other with some suspicion and severe criticism.

With respect to Argentina, unofficial British opinions and publicity have actually taken a markedly anti-American stand. A review of press material appearing from British sources in the other American republics, particularly Argentina, reveals a strong tendency to criticize the United States position toward Argentina. Official British policy has gone along with the United States in the political field. The British Ambassador was withdrawn from Buenos Aires, and the Prime Minister criticized the Farrell regime in a speech before the Commons. In economic matters, the British have found it impossible to go as far as we have asked because of their situation as regards supply and investments. After urgent representations on our part, the British finally postponed until May the renewal of the meat purchase contract which expired September 30, 1944. The British Government has maintained however that it could not decrease its trade with Argentina, and reports in fact indicate an actual increase in both imports and exports in recent months.

Assistant Secretaries Dunn and Rockefeller recently discussed the problem of Anglo-American relations in the other American republics with Lord Halifax. An agreement was reached, later confirmed by Mr. Eden, to approach this subject at the top level in full frankness for the purpose of achieving mutual understanding and full cooperation between the two governments and their representatives in the other American republics. A good working basis for this cooperation has already been established.

MAIN FACTORS AFFECTING PRESENT RELATIONS WITH THE OTHER AMERICAN REPUBLICS

The military progress of the war has had a basically important influence upon our relations with the other American republics. As victory over the Axis appeared increasingly imminent, there was a parallel relaxation in the close relationships cemented at the time the hemisphere was attacked. Within individual countries political instability, which the war had tended to hold in check, also emerged. The Argentine problem has been a further disturbing influence.

More remote from the war than the United States, the other American republics have for the most part suffered from over-optimism in expecting an early end of the war in Europe. This optimism augmented the impatience with restrictions imposed by war conditions on civilian life, particularly shortages of consumer goods, of fuel and of capital goods for industrial development. The lack of adequate shipping from the United States continues to be an important factor in these shortages.

Shortages of imports, coupled with vastly increased exports to the U.S., have contributed greatly to inflation and consequent political unrest.

Anxieties over the expected decreases in purchase of strategic materials, which would follow military victory, have also contributed problems to our relations with the other American republics.

The absence of relations between most republics and Argentina has handicapped the operation of the Pan American system, and has created special problems for consideration by the United States with respect to the countries adjoining Argentina which fear her economic, political and growing military power.

At the same time the American republics are greatly interested in plans for world organization and have felt somewhat left out of deliberations on this subject. They are eager to see the inter-American system maintained and strengthened. These subjects, together with economic matters and problems involved in the termination of the war, will be discussed at a Conference of American Republics cooperating in the war effort in February in Mexico City.

A brief

A brief report of the political situation in each country and particular problems affecting our relations with each is attached.

CURRENT SITUATION IN THE OTHER AMERICAN REPUBLICS

Argentina is governed by a group of strongly nationalist army officers, influenced by Nazi-fascist methods and ideology. Civilian support comes chiefly from a small but powerful group of reactionary nationalists. The government's strength is uncertain. It is faced with widespread public apathy and some domestic opposition (including an underground movement, and Argentine political exiles centered in Montevideo) plus antagonistic elements within the army, dissatisfaction with its maladministration, and political and economic pressures from without. The negative reaction of other American republics to the Argentine request for a meeting of Foreign Ministers has lessened confidence and increased dissension within the controlling army group. The Argentine attitude toward the war and the inter-American system is a major problem for the United States.

Bolivia has a government, largely military in character, which represents a combination of nationalism and social reform. Its elements have used violence to maintain themselves in power, thus cowering or eliminating most political opposition. The regime's near insolvency has interfered with carrying out measures of social reform. The country's economic dependence on high-cost tin production bodes ill for the post-war future, and its chronic political instability arouses concern that it might fall under influences inimical to the United Nations. The present Government is, however, cooperating in the war effort. It is one of the United Nations.

Brazil is under a personal dictatorship, run by President Vargas with army support. Much popular unrest exists because of transportation difficulties, inflation and the lack of effective democracy. The regime appears to be secure, at least for the near future, but opposition is definitely increasing. However, there are reliable reports that President Vargas contemplates early elections. Some important problems for the United States arise from Brazilian

ambitions

ambitions to be a world power with constant representation in any World Organization. Of the leading American Republics, Brazil has been outstandingly cooperative with the United States in international relations and in war problems. The last are projected into the future by a secret agreement on post-war use of air bases. Brazil is one of the United Nations.

Chile has a democratic, leftist government. As the Congressional elections of March 1945 approach, its domestic and its pro-United Nations policies are being sharply challenged by opposition groups, who are aided by popular dissatisfaction because of the rapidly rising cost of living. As a result the Chilean political and economic situation is extremely delicate. Of prime importance for the United States are the questions of preserving Chilean economy as war purchases decline, and of aiding the government to resist Argentine influences. Chile is associated with the United Nations.

Colombia, with a democratic government of leftist tendencies, is currently rewarding liberal and labor groups for their support by a program of social legislation. The government appears to be fairly stable, having outwardly recovered from the abortive Pasto revolt of last June, engineered by Conservative forces and dissident army factions. At present government support of growers' demands for higher coffee prices is an important problem for the United States. Colombia's feeling that there has been discrimination in favor of Peru in allocating Lend-Lease, and its desire to acquire arms for the National Police, are also current problems. Colombia is one of the United Nations.

Costa Rica has a democratic and leftist government. It has long enjoyed good stability, but that is at present somewhat threatened, chiefly because of financial maladministration by the previous regime. It presents no serious problem to the United States. It is one of the United Nations.

Cuba has a government of strongly leftist but non-Marxian character, chosen recently in a reasonably free election. Some threat to President Grau's government comes from an unorganized combination of

conservatives,

conservatives, disgruntled military men, and dissident leftists, who support the former rather opportunistic "strong-man" president, Batista. Inept administration is helping to undermine popular support. Questions about the sugar crop are perennially of high importance to the United States. Cuba is one of the United Nations.

The Dominican Republic has a personal dictatorship of a somewhat conservative cast. Stability is less sure than formerly, but is not known to be seriously menaced, though there are active opposition movements at least outside the country. The tendency of the dictator to pretend that he has support from the United States and to intrigue against Haiti presents current problems of some importance to the United States. The Dominican Republic is one of the United Nations.

Ecuador is at present governed by an extremely leftist National Constituent Assembly, which in practice dominates the President. The Assembly is preparing a democratic constitution influenced by state socialism. Very fluid political conditions make attempted coups from the right or left probable, but a leftist government seems likely to remain in control. Post-war use of the Galápagos Islands is the outstanding question now under negotiation with Ecuador. Ecuador is associated with the United Nations.

El Salvador, which for a few months in 1944 shook off a conservative personal dictatorship, has since October 20 been dominated by a dictatorship of military conservatives. It has not been recognized by the United States or most of the other American republics and faces very strong popular and democratic opposition. Only army support has maintained it in power until now and its future is very uncertain. An election for President is scheduled for January 14, 15 and 16 but all candidates except the official one have withdrawn in view of the farcical character of the situation. The situation presents an embarrassment but not a major problem to the United States. El Salvador is one of the United Nations.

Guatemala has a new and authentically democratic government since the downfall of the long-time dictator

Ubico

Ubico and of his temporary successor. President Arévalo, elected December 17, 1944, has wide-spread popular support. Guatemala at present offers no serious problem to the United States, but such a problem can arise if Guatemala's fear of aggression by its dictator-neighbors proves justified, and from Mexican support of Guatemala in that case. Guatemala is one of the United Nations.

Haiti is under a personal dictatorship, without any pronounced socio-political orientation. Stability is always somewhat uncertain, due basically to unsatisfactory social conditions but immediately to the ambitions of other members of the small, politically active "elite" and to hostile influences from the Dominican dictator. Haiti presents no current outstanding problem to the United States, but President Lescot's appeal to the United States about a Dominican plot to assassinate him is a recent example of his sometimes embarrassing desire for United States support. Haiti is one of the United Nations.

Honduras is governed under a long-time conservative personal dictatorship which, in spite of vociferous opposition from abroad, seems still to be firmly entrenched. It offers no problem of high importance to the United States. It is one of the United Nations.

Mexico has a middle of the road administration which in general is trying to carry on the leftist-agrarian heritage of the Mexican Revolution. It is dominated by a single party, the PRM (Partido Revolucionario Mexicano). There are many cross currents but no presently serious threats to governmental stability. There are important pending problems with the United States but there is every prospect of mutually satisfactory solutions of all of them. Mexico is one of the United Nations.

Nicaragua is under a long-time personal and reasonably benevolent dictatorship. Growing popular pressure has caused the dictator to enact social legislation and to renounce his intentions of succeeding himself. His government appears reasonably stable and presents no serious problem to the United States. Nicaragua is one of the United Nations.

Panama

Panama has a government of currently anomalous character. President De La Guardia took power on October 9, 1941, under circumstances sometimes interpreted as a coup. The Assembly long refrained from electing the Designates to the Presidency who might have been able to replace him, but planned to do so on January 2, 1945. In view of this situation, and of the possible return from Argentina of his displaced predecessor, on December 29, 1944 the President suspended the greater part of the constitution. He promised to hold elections in May for delegates to a Constituent Assembly. Stability of his regime remains uncertain. The chief problems which Panama offers to the United States arise from its complaints that the latter practises race discrimination and permits commercial abuses in the Canal Zone. Panama is one of the United Nations.

Paraguay is under a dictator who has remained in power over four years by balancing the pressures of a small group of powerful, totalitarian-minded army officers against those of democratically-inclined military, civilians, students, and workers. Influence of the former element has been difficult to reduce because of the danger of Argentina supporting that group. Stability of the regime has increased to the point where Morínigo has instituted preliminary democratic reforms while reinforcing his policy of supporting the Allied war effort. Recently he has stiffened toward Argentina, notwithstanding Paraguay's acute economic dependence on that country. Paraguay's need of aid in resisting Argentine pressures is its most important problem for the United States. It is associated with the United Nations.

Peru is governed by an extremely conservative civilian, Catholic and military oligarchy, which, though observing constitutional forms, has outlawed its potentially powerful political opponents, including the Communist Party and the left-liberal Apristas. The election scheduled for June 10, 1945 has caused increasing tension, and some possibility exists of a social revolution comparable to that which has occurred in Mexico, but on the whole Peru appears stable. It presents no high problems to the United States. It is associated with the United Nations.

Uruguay has a democratic government representing a coalition of liberal and leftist parties. Normal political maneuvering among parties in the Congress and between

Congress

Congress and the Administration has produced stresses, but fundamental political stability persists. Danger of an opposition coalition of rightest pro-Argentine parties has recently resulted in closer collaboration between the legislative majority and the executive and at least temporarily in a more efficient administration. Uruguay depends vitally on United States aid against Argentine pressures. It is associated with the United Nations.

Venezuela possesses a liberal-leftist government, dedicated to a program of social legislation designed to improve the status of the laboring classes. With support from moderates as well as from the Communist Party and from labor as a whole, the government seems stable. There are no problems of high importance to the United States. Venezuela is associated with the United Nations.